CSR

CSR Limited Annual Report 1975

CSR Limited Incorporated in New South Wales

Annual Report for the year ended March 31 1975

To be presented to the Annual General Meeting of Members
to be held at St James' Hall,
171 Phillip Street, Sydney,
on July 16 1975, at 11.30 a.m.

Contents

"We began in sugar
but grew to become a diversified company . . .
We are growing and the mix
of the business is changing because
our people have energy and enthusiasm
and are not afraid of change . . .
In a world of rapid change
we seek to be responsive to change;
to justify our place in society
in terms of present values
rather than the values of the past . . .
CSR is in good shape
to keep in the mainstream of
Australia's growth. CSR is
essentially Australian; we have
a sensitivity to the values of the
society of which we are a part;
we have momentum
as well as direction and purpose . . ."

R G Jackson, General Manager of CSR Limited,
at a meeting of financial institutions
in London on January 24 1974.

RESULTS IN OUTLINE CSR Limited and subsidiaries

Year ended March 31	1971 $m	1972 $m	1973 $m	1974 $m	**1975 $m**	**75 on 74 % change**
Gross sales *(including sugar sales made as agent and total sales of subsidiaries)*	482.4	565.8	676.2	692.4	**1197.3**	**73**
Group sales *(including sugar sales only to the extent of group equity and total sales of subsidiaries)*	315.0	349.2	375.6	414.5	**559.2**	**35**
Profit before tax *(before extraordinary items)*	38.1	39.5	42.7	63.9	**76.5**	**20**
Profit after tax *(before extraordinary items)*	20.1	20.5	23.3	28.8	**36.8**	**28**
Dividends	10.4	10.4	11.5	12.6	**15.1**	**20**
Issued capital at end of year *($1.00 par value)*	74.3	74.5	83.8	84.1	**100.9**	**20**
CSR shareholders' funds	252.7	258.0	271.4	355.7	**364.8**	**3**
Minority shareholders' funds	29.1	39.3	50.3	62.0	**63.3**	**2**
Total assets	643.2	736.4	747.0	750.7	**906.1**	**21**
Long-term debt *(repayable beyond 12 months)*	122.5	121.6	135.5	153.2	**148.6**	**−3**
Equity issues to shareholders	—	—	1-for-8 bonus	—	**1-for-5 bonus**	
Return on CSR shareholders' funds	8.0%	8.0%	8.6%	8.1%	**10.1%**	
Earnings per share *(at end of year)*	27.1c	27.6c	27.9c	34.2c	**36.5c**	
Dividends per share *(at end of year)*	14.0c	14.0c	14.5c	15.0c	**15.0c**	
Dividend cover	1.9x	2.0x	2.0x	2.3x	**2.4x**	
Net tangible assets per CSR share *(future tax benefits and deferred tax provisions treated as intangibles)*	$3.46	$3.60	$3.41	$4.61	**$4.07**	
Gearing *(long-term debt to total shareholders' funds plus long-term debt)*	30.3%	29.0%	29.6%	26.8%	**25.8%**	

Because of accounting changes in 1974, after-tax profits shown above are less than if calculated on present methods by approximately $2.5m in 1971, $1.8m in 1972 and $1.0m in 1973. Assets for those years are before depreciation.

Throughout this report figures for the CSR group do not include anything in respect of The Australian Estates Company Limited, which will be consolidated with effect from April 1 1975.

SIGNIFICANT EVENTS

- Export sugar prices reached a record peak. Iron ore and coal prices improved.
- Adverse economic conditions within Australia seriously affected many products, particularly building and construction materials and chemicals.
- CSR acquired the overseas-owned The Australian Estates Company Limited.
- The company's investment in Home Units Australia was written off.

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DIRECTORS

Sir John Dunlop *Chairman*
Sir Gregory Kater
Sir James Vernon
T J N Foley
R G Jackson
Sir John Overall
D K Voss
A J Campbell
D D Brown
B N Kelman
M G King
J S Proud

Sir John Dunlop, chairman

GENERAL MANAGEMENT

R G Jackson	*General manager*
D D Brown	*Deputy general manager*
A J Campbell	*Deputy general manager*
B N Kelman	*Deputy general manager*
M G King	*Deputy general manager*
R W Harvey	*Assistant general manager*

SENIOR EXECUTIVE OFFICERS

J F Blaxland
J G Campbell
N L Carter
C W Davis
A W McAuley
R N Selman
A V Shaw

SECRETARY

J H Tuckfield

REGISTERED OFFICE

1-7 O'Connell Street, Sydney

SHARE REGISTERS

Sydney *(principal register)*
Adelaide Brisbane Canberra
Hobart Melbourne Perth
and Auckland

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DIRECTORS' REPORT

Profit

Group consolidated net profit (before extraordinary items) for the year ended March 31 1975 was $36.8 million. This is 28% greater than last year.

Sugar activities contributed about $18.2 million ($9.3 million last year); building and construction materials about $6.4 million ($8.2 million last year); and minerals about $10.9 million ($9.2 million last year). Contribution from other interests declined from $2.1 million last year to $1.3 million.

Dividend

An interim dividend of 7½ cents per share was paid by the parent company on December 18 1974. A bonus dividend of 1½ cents was also paid in lieu of an interim dividend on the 1-for-5 bonus share issue made in January 1975.

The board recommends a final dividend of 7½ cents per share.

This would make a total distribution equivalent to 15 cents per share on issue at the end of the year.

Subject to adoption of this report, the final dividend will be payable on July 23 1975, on shareholdings registered at the close of business on June 18 1975.

Operations

Sugar milling profits rose strongly, due to record world sugar prices in 1974. Iron ore profits rose, with higher export prices and sales. Our coal export interests made good progress.

These gains, and some lesser profit improvements, enable the board to report continued growth in group profits in spite of bad results for many of our activities which make goods for sale in Australia. Like most Australian companies, CSR was severely affected by domestic economic conditions.

Sustained inflation caused steep cost increases. In the second half of the year the downturn in Australian building and construction and in the economy generally resulted in falling demand for many of our products.

Reduced plant throughput aggravated the problem of production cost increases. In some cases the operations of the Prices Justification Tribunal added to the difficulties.

Inevitably, these conditions reduced profits for many of our activities. Some traded at a loss. The impact is illustrated by lower profits from building and construction materials. These fell despite inclusion for the first time of a full year's contribution from Australian & Kandos Cement Holdings.

The Australian market situation continues to be of serious concern. There are no grounds for confidence *that the rate of inflation will fall soon. Measures taken* by the Government to stimulate the economy have not yet made a significant impact on sales.

Business confidence is essential to renewed economic growth. Return of confidence is impeded by inconsistencies in government policies and actions. These deeply concern the private sector of the mixed economy that has served Australia so well.

In markets outside Australia sugar was in short supply. Prices rose spectacularly. They have fallen, but demand for raw sugar continues to be strong. Late in the year the demand for iron ore showed some signs of weakening. Coal export prospects remain good. Expanded production of bauxite and alumina met existing contracts.

More detailed comment on our main activities appears in the review of operations which begins on page 7.

Growth

CSR continues to explore ways to extend profitably its interests in resource-based industries with sound long-term prospects.

The changed economic situation in Australia has led us to defer plans to expand some activities supplying internal markets. The operations of other activities are under review. However, additional cement production capacity is being built; and a new Gyprock factory opened in April 1974.

Substantial investments are being made where there are export opportunities. The Mt Newman iron ore project is expanding from 35 to 40 million tonnes a year. Our coal mines in the Hunter Valley are increasing capacity. The Mt Gunson mine began last August producing copper concentrates. Our Queensland sugar mills are being enlarged to crush bigger crops.

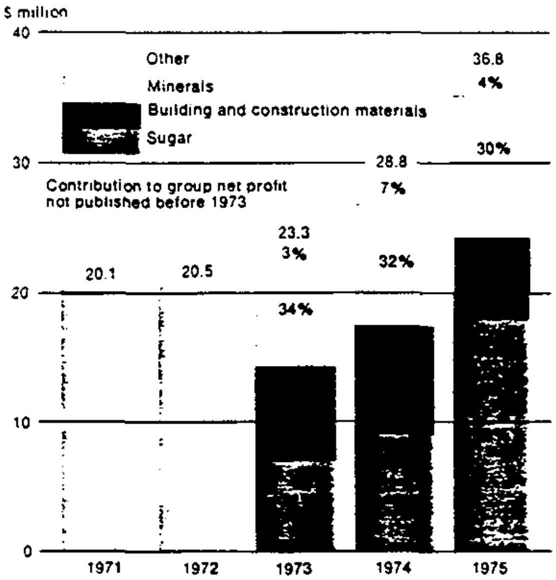
The Australian Estates Company Limited became a subsidiary of CSR on April 1 1975. It should contribute significantly to group profits this year. Its acquisition at a cost of $48.5 million adds substantially to our sugar milling interests, and it also has extensive pastoral and agency operations.

A summary of the activities of Australian Estates appears on page 36.

Home Units Australia C 3392

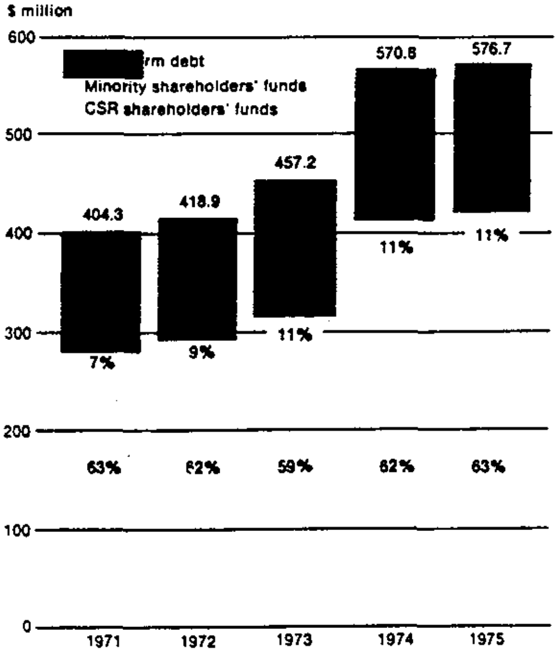
At the last annual general meeting we expressed con-

CONTRIBUTION TO GROUP NET PROFIT

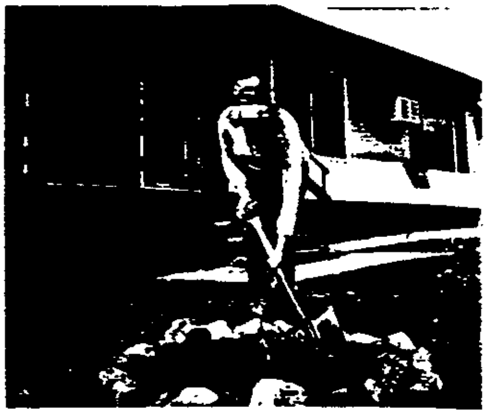


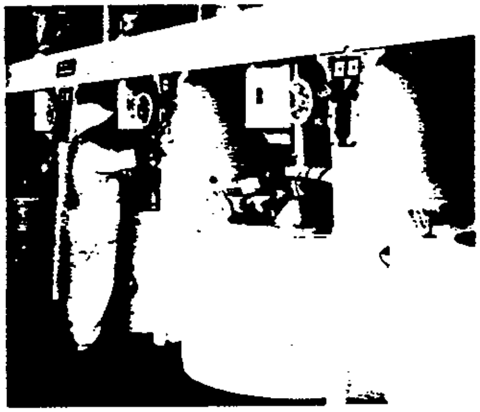
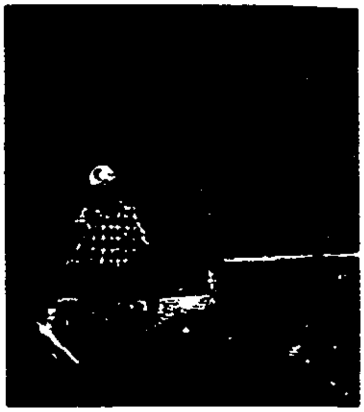
for year ended March 31

CSR GROUP CAPITALISATION

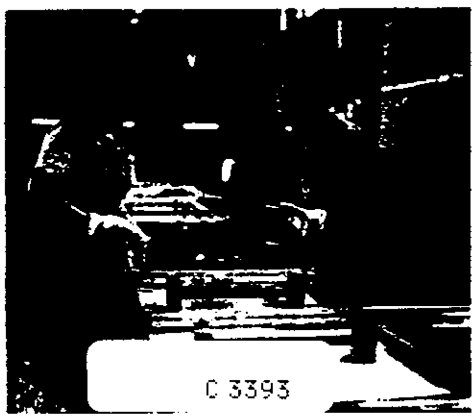


as at March 31

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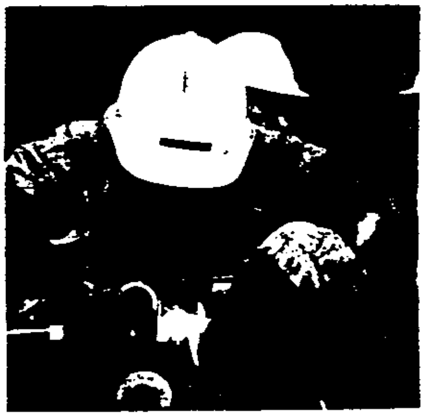

cern about our investment in the Home Units Australia group: negotiations were then going on. It was necessary shortly after that to restructure this operation. As stated in the half-yearly report, the board wrote off our investment of $6.1 million. It is too early to say if any of the investment will be eventually recovered.

Employees

The company's continued growth in difficult economic conditions is due to the effective work of people. The board is deeply grateful to all who have contributed.

As explained on page 39, we are continuing to apply more resources to matters affecting those employed in the group.

Finance

Monetary conditions remain unsettled, world-wide. In Australia high inflation continues, and future monetary policy is uncertain.

We have sought and achieved a strong liquid position and intend to preserve that position. Loans arranged by the parent company during the year and since for the ongoing needs of the group are reported on page 34. They include overseas borrowings now made practicable by the suspension of the variable deposit requirement on foreign loans. These borrowings are in US dollars, in which currency the group has substantial income.

Unsecured notes totalling $40 million mature on December 31 1975. It is expected that holders will be offered the opportunity to convert to new CSR securities.

Accounting

'Extraordinary items' in the consolidated profit and loss account amount to a net deduction of $3.1 million from profits before extraordinary items.

This net amount is mainly the writing-off of the $6.1 million investment in the Home Units Australia group offset by adjustment of about $3.3 million to taxation provisions, following the reduction from 47½% to 45% in the rate of company tax.

A change concerning tax effect accounting has been made this year to conform with standards recommended by the professional bodies. The change has only a slight effect on reported net profits. It is explained on page 34.

Historical cost accounting in times of sustained inflation is of limited usefulness as a measure of performance. Adoption of an accepted method of accounting for inflation would provide a more realistic picture of the results of a company's operations. Regrettably, no such accepted method exists. The board considers it would be confusing, and achieve little purpose, for CSR to attempt to make adjustments to its accounts to allow for inflation, in advance of general acceptance and understanding of a standard method.

Asset replacement

The inadequacy of historical cost accounting under inflation is particularly striking where operations employ expensive plant that must be replaced progressively. The cost of replacement is invariably far more than the original cost of the item replaced; but for tax purposes depreciation is allowed only on the historical cost.

Directors last year created a special reserve for increased cost of asset replacement. Consideration was given to adding to this reserve this year. It was decided to await the government action which we hope will follow the recommendations of the Committee of Inquiry into Inflation and Taxation (the 'Mathews Committee').

Form of report

This year the accounts, statistical information and continuation of the directors' report are printed on coloured paper in the middle of the document. These pages divide the review of operations which begins on page 7 and is continued on page 31.

The report now submitted by the directors for the year ended March 31 1975 includes the review of operations and the financial statements for the period, both for the parent company and as consolidated to include subsidiaries.

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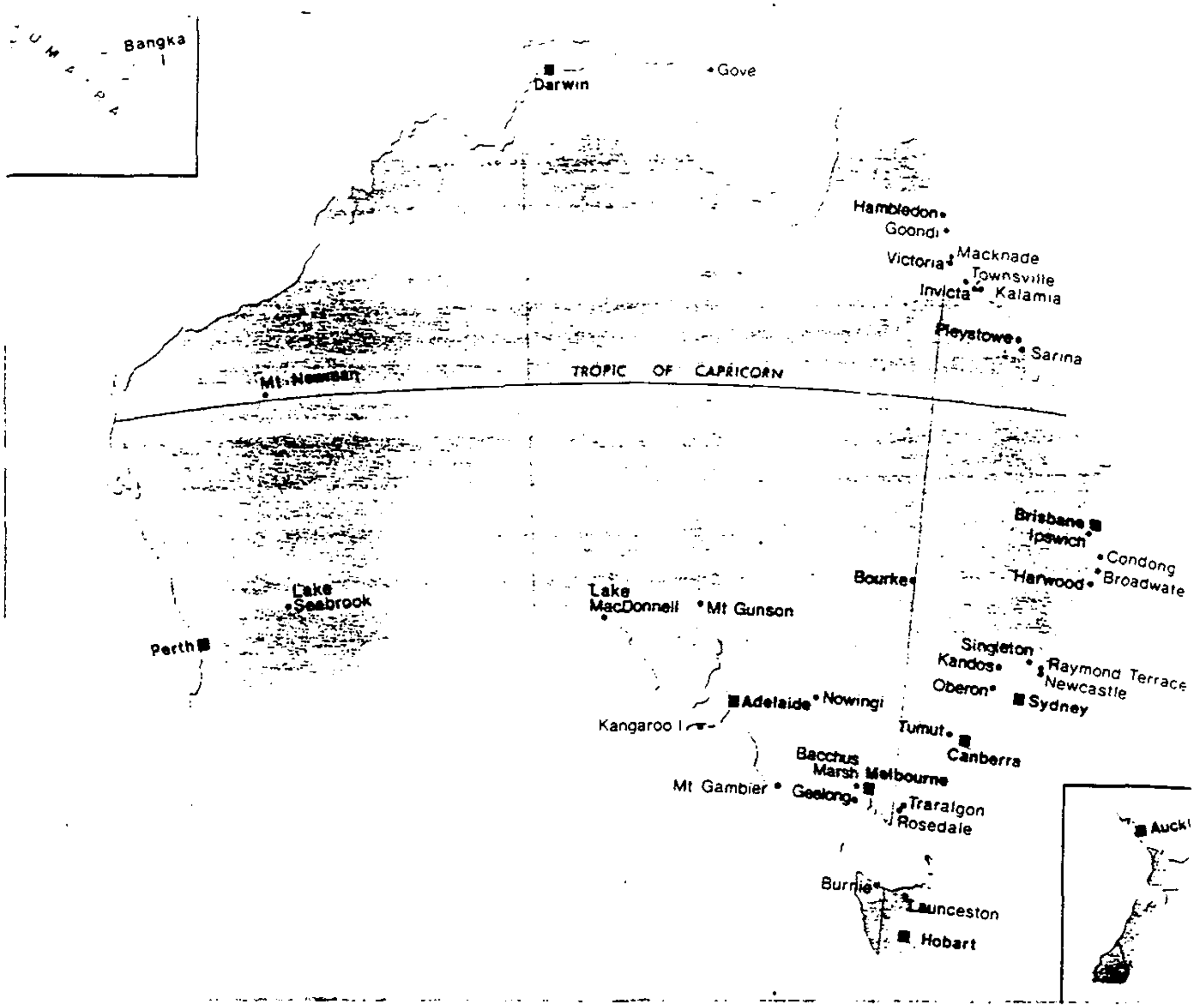
R G Jackson
General manager

Sydney
June 23 1975

J W Dunlop
Director

G B Kater
Director



MAIN PRODUCTION UNITS

PARENT AND SUBSIDIARY COMPANIES

SUGAR—Mills: CSR—Harwood, Broadwater, Condong, Victoria, Macknade, Goondi, Hambledon. Australian Estates—Pleystowe, Kalamia, Invicta.
Refineries: Sydney, Melbourne, Brisbane, Adelaide, Perth, Auckland.
BUILDING AND CONSTRUCTION MATERIALS — Gyprock plaster board factories and plaster mills: Sydney, Melbourne, Brisbane, Adelaide, Perth. **Gypsum mining**—Bourke, Nowingi, Kangaroo Island, Lake MacDonnell, Lake Seabrook. **Vinyl flooring:** Sydney. **Asbestos cement:** Sydney, Melbourne, Brisbane. **Insulation products:** Sydney, Melbourne, Brisbane, Perth. **Aluminium windows:** Sydney, Melbourne, Brisbane, Adelaide, Hobart. **Plastics:** Sydney. **Roof tiles:** Sydney, Melbourne, Brisbane, Adelaide, Launceston. **Concrete:** Sydney.
MINERALS—Iron ore: Mt Newman (CSR subsidiary Pilbara Iron Ltd is a joint venturer). **Bauxite and alumina:** Gove (CSR subsidiary Gove Alumina Ltd is a joint venturer). **Coal:** Singleton, Newcastle. **Copper:** Mt Gunson.
CHEMICALS—Sydney, Newcastle.
DISTILLERIES—Sydney, Melbourne, Sarina.
CARBON DIOXIDE AND FREEZING SERVICES—Sydney, Melbourne, Brisbane, Townsville, Adelaide, Mt Gambier, Perth, Launceston, Darwin.

ASSOCIATED COMPANIES

BUILDING AND CONSTRUCTION MATERIALS — Hardboard products: Sydney, Raymond Terrace, Melbourne, Bacchus Marsh, Ipswich, Burnie. **Particle board:** Sydney, Oberon, Tumut, Rosedale. **Cement:** Kandos, Geelong, Traralgon. **Roll-formed metal:** Sydney.
MINERALS—Tin: Bangka Island (Indonesia).
CARBON DIOXIDE AND FREEZING SERVICES—Auckland.

OTHERS (not shown on map)

Pastoral activities: Australian Estates has 20 grazing properties in the Northern Territory, Queensland and New South Wales: conducts woolbroking and stock and station agency business in Victoria, New South Wales and Queensland, including 70 country branches, 3 city branches, and 3 wool stores in Melbourne, Portland and Brisbane. CSR operates macadamia nut orchards in Queensland.
Concrete and quarrying: Ready Mixed Concrete has 115 concrete plants, 63 quarries and 5 asphalt plants throughout Australia.

R G Jackson, general manager

REVIEW OF OPERATIONS

As CSR grows and the business environment in which we operate changes, constant attention has to be given to management structure and organisation.

Our last annual report referred to changes designed to strengthen the corporate functions of forward strategic planning, finance, relations with government regulatory authorities and the search for new business opportunities. Last year all sugar activities were regrouped into a single division.

Those changes were timely.

World-wide economic difficulties gave added point to the worth of strategic forward planning.

The additional resources applied to finance management were needed to cope with rapidly changing financial conditions. Prices justification and other regulatory requirements now impose a large burden on management resources.

The major new investment in Australian Estates was possible because we were organised to seize new opportunities. The regrouped Sugar Division was in good shape to implement CSR's part in important sugar industry developments dealt with in this report.

We recognise that some things could have been better done, but lessons have been learned from them for the future.

We have made further important management changes which are reported on page 39. Our main operations other than sugar are now grouped in two major divisions, effective April 1 1975. Resources for planning and control in all divisions have been strengthened. Greater corporate resources will be applied to matters concerned with people in the group.

These changes, like those of last year, are designed to enhance the group's ability to maintain steady growth, in spite of the real difficulties presently confronting Australian industry.

The prospects for the current year will be referred to at the annual general meeting. C 3396

SUGAR DIVISION ACTIVITIES

Raw sugar: CSR has seven mills. Australian Estates and its subsidiaries have three mills. CSR markets all Australian raw sugar exports on behalf of the Queensland Government and provides technical and other services for the Australian sugar industry.

Refined sugar: Operating under contract to the Queensland Government, CSR manufactures and distributes about 95% of refined sugar products used in Australia, from five capital city refineries. New Zealand Sugar Co Ltd (100% CSR) supplies all refined sugar products used in New Zealand from its Auckland refinery.

Other: CSR is developing a macadamia nut project. It operates shipping services. Australian Estates raises beef cattle and Merino sheep; it operates woolbroking and stock and station agencies.

SUGAR INDUSTRY DEVELOPMENTS

All Australian raw sugar is pooled for marketing. CSR's sugar operations need to be considered in the context of developments in the industry.

Australian raw sugar production in the 1974 season was a record 2,777,000 tonnes, which was 311,000 tonnes higher than in 1973.

Throughout 1974 world sugar stocks were low and supplies were short. High prices prevailed. The London Daily Price averaged £stg305 for 1974, about three times the 1973 average. It reached a record £stg650 in November. It has fallen since then, and by early June 1975 was about £stg160 per tonne.

About three-quarters of the Australian crop is exported, so pool prices for 1974 season raw sugar will reflect the buoyant export market. The average price for all sugar produced is expected to be about $260 per tonne (basis 94 net titre), compared with $130.38 for 1973 season sugar.

World market conditions enabled us to negotiate long-term contracts at remunerative prices with some overseas buyers of Australian sugar. Such contracts now cover about 1.2 million tonnes from each crop for the next five years. They cushion the industry against the effects of a possible return to low world sugar prices.

The Australian and Queensland governments extended for five years their agreement covering domestic sugar sales and agreed upon a small increase—the first since 1967—in wholesale sugar prices.

Sugar industry capacity

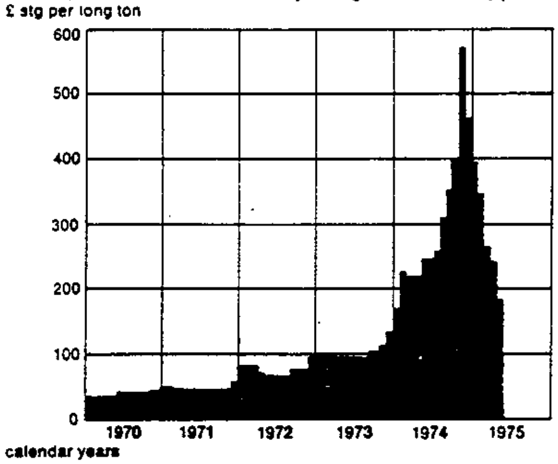
Against the above background government authorities and industry organisations agreed that the annual productive capacity should increase by about 300,000 tonnes. Growers will plant more cane, some of which should be ready for crushing in the 1976 season.

Deputy general manager A J Campbell (second from right) with sugar division general management (from left) A M Hertzberg J G Campbell, J W Laurie and G A Gemmell-Smith

From then on the average Australian production of sugar is likely to be about 3 million tonnes, of which about 2 million tonnes will be covered by the domestic market and the long-term contracts that have been negotiated.

The industry organisations have agreed on a major programme to expand bulk sugar storage and to develop two of the sugar ports. To provide finance the industry has agreed that $50 million will be withheld from 1974 export proceeds.

RAW SUGAR PRICES Monthly average of London daily price



CSR OPERATIONS

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Raw sugar mills

CSR's seven sugar mills in 1974 made 498,000 tonnes, 33,000 tonnes more than in 1973.

Mill efficiencies were satisfactory. Although manufacturing costs increased, higher prices of raw sugar led to much higher milling profits.

Farmers supplying cane to CSR's four Queensland mills have shared in the industry expansion of cane lands. To process bigger crops within shorter periods, the mills are substantially increasing their capacities.

The two wholly owned, and one partly owned, mills of the Australian Estates Company produced 340,000 tonnes in 1974, and are being expanded.

In New South Wales mechanisation of harvesting developed further in 1974, and will be almost completed for the 1975 season.

Discussions are taking place with representatives of cane growers supplying CSR's three NSW mills, concerning the long-term future of the mills and their ownership.

Refined sugar in Australia

CSR sold 711,000 tonnes of refined sugar products, 22,000 tonnes more than last year. Refined sugar, as a basic material in many foods and beverage industries, is holding its position in Australia against other sweeteners and fermentable products.

Promotion of specialty sugars, such as brown, coffee, caster and cube sugar, has led to good increases in sales. Retail demand for unrefined sugar continues to grow, met by specially selected and packed raw sugar.

Refined sugar in New Zealand

New Zealand Sugar Co Ltd (100% CSR) sold 183,000 tonnes, 18,000 tonnes more than the previous year. The gain reflected customer stockpiling, influenced by industrial problems and by news of sugar shortages and large price increases in other sugar-importing countries.

The price stabilisation agreement between the New Zealand Government and the company, now extended until March 31 1976, moderated increases in sugar prices flowing from high world prices of raw sugar. Part of the higher costs of imported raw sugar has been borne by the Government, but retail prices increased in June 1974 (by about 3 cents a lb) and in March 1975 (by about 9 cents a lb) to the present price of 21 cents a lb.

Sales may be lower this year in reaction to the higher prices and to last year's stockpiling.

Marketing and other services

As marketing agents for the Queensland Government, CSR conducted the negotiations for the long-term contracts referred to earlier. We are also substantially involved in investigation and planning of the port and storage developments now in progress.

CSR has helped to develop bulk sugar handling facilities in a number of sugar-importing countries, in the interests of widening market outlets for Australian exports.

Pastoral interests

The acquisition of Australian Estates now makes pastoral operations an important activity of the group.

Market conditions for beef are very poor. Harmful restrictions still apply in important export markets. Cattle prices are very low.

Wool prices have also been depressed but there has been some recovery recently.

Seasonal conditions have been generally good on the Australian Estates properties.

BUILDING AND CONSTRUCTION MATERIALS DIVISION ACTIVITIES

Major products and operating companies (including associates)—**Gypsum, plaster, plasterboard:** CSR gypsum products group. **Vinyl sheet and tiles:** CSR vinyl flooring group. **Asbestos cement products, terra-cotta roofing tiles, plastic pipe, aluminium windows:** Wunderlich Ltd (100% CSR). **Aluminium extrusions:** Wunderlich Aluminium Company Pty Ltd (50% CSR). **Insulation products:** Bradford Insulation Industries Pty Ltd (85% CSR), Bradford Insulation (WA) Ltd (70% CSR). **Hardboard products:** Hardboards Australia Ltd (50% CSR). **Particle board products:** Pyneboard Pty Ltd (50% CSR). **Ceiling accessories:** Rondo Building Services Pty Ltd (50% CSR).
Ready mixed concrete, hard rock, gravel, sand, asphalt: Ready Mixed Concrete Ltd (50% CSR), Australian Quarries Pty Ltd (100% CSR), Gravel and Sand Suppliers Pty Ltd (51% CSR), Farley & Lewers Ltd (43% CSR), Resource Industries Asia Pty Ltd (40% CSR), Hymix Australia Pty Ltd (25% CSR). **Cement:** Australian & Kandos Cement Holdings Ltd (50% CSR).

Industry conditions
Activity in the Australian building industry turned sharply downwards during the year. Tight monetary policies, with a severe credit squeeze, caused a substantial decline in work on new dwellings after the middle of 1974.

Government expansionary action late in the year failed to have a significant effect on dwelling commencements by the end of the first quarter of 1975.

The decline in work on non-dwelling constructions was less severe; the value of work done (at constant prices) was 3% lower than in the previous year.

These general conditions affected CSR substantially by reducing sales opportunities.

The group's profits from building and construction materials were also eroded by steep cost increases. Although price increases were accepted by the Prices Justification Tribunal, the delays inherent in its procedures reduced the division's ability to protect itself against the high rate of inflation.

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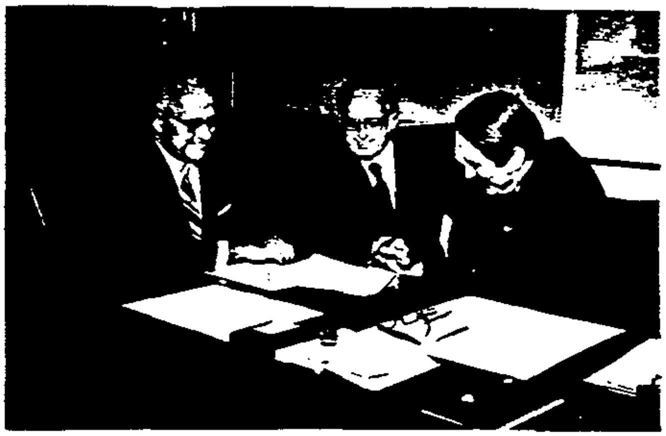
Building materials
Sales of CSR building materials were generally substantially lower than in the previous year because of the decline in new dwelling construction. In particular, some Wunderlich group products were severely affected.

Vinyl flooring, particularly sheet, suffered badly from import competition. Imports now supply almost half of the Australian market.

During the year the operations of the Bradford Insulation companies in New South Wales, Victoria and Queensland were combined, under the name of



Deputy general manager B N Kelman (right), with building and construction materials division general management, A V Shaw (left) and A J Oliver

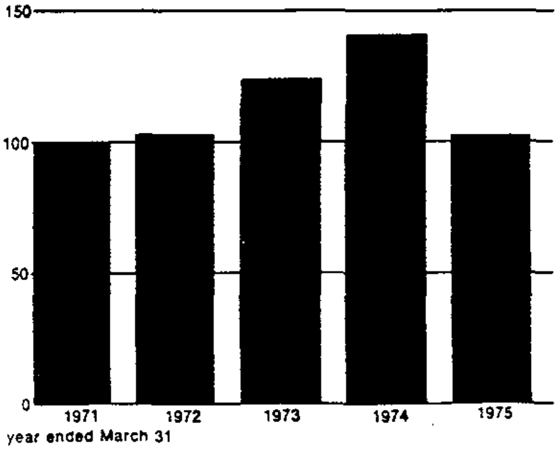
Bradford Insulation Industries Pty Ltd. CSR has an 85% shareholding in those companies. Bradford Insulation (WA) Ltd operated as a subsidiary company for the first full year; CSR's shareholding increased from 45% to 70% in November 1973.

The company's second Gyprock factory in Sydney, at Wetherill Park, started in April 1974. Pyneboard Pty Ltd (50% CSR) is producing a special grade of particle board for flooring, which has now been widely approved for use in dwellings in Australia. Another new product, Fineline Pyneboard, is gaining market acceptance.

Concrete and quarrying
Profits from CSR interests in concrete and quarrying were reduced by a combination of the downturn in the building industry, industrial disputes, wet weather and the operations of the Prices Justification Tribunal.

CSR's main interest is its 50% ownership of Ready Mixed Concrete Ltd (RMC). Dividends from RMC were 36% lower in the year ended March 1975 than in the previous year. Since RMC's financial year ends on

INDEX OF AUSTRALIAN BUILDING APPROVALS
(based on total value of building approvals at constant prices)



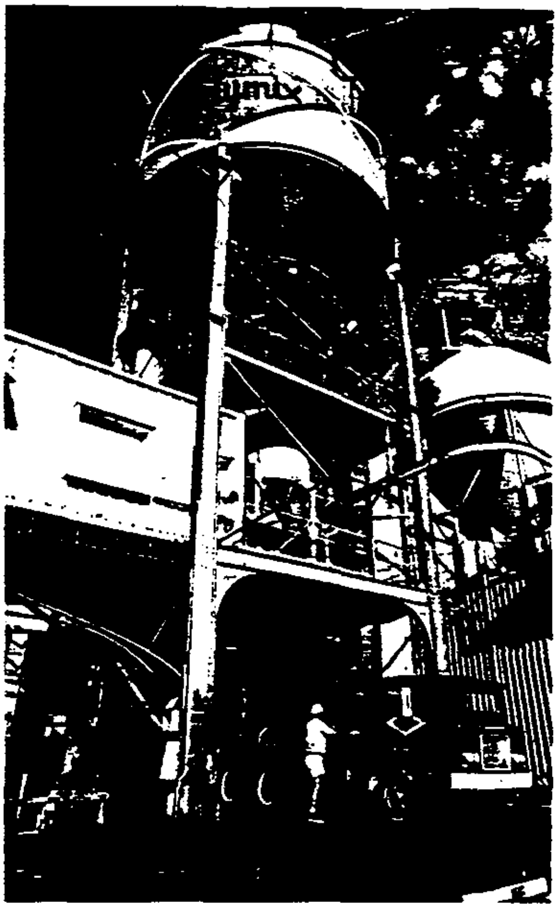
June 30, its results will be reviewed in the next half-yearly report.

Our subsidiary Gravel and Sand Suppliers Pty Ltd had a reasonably good year, although not as good as 1974. Satisfactory progress was made by Resource Industries Asia Pty Ltd, which is now operating profitably with concrete plants and a quarry in Djakarta and a concrete plant recently opened in Kuala Lumpur.

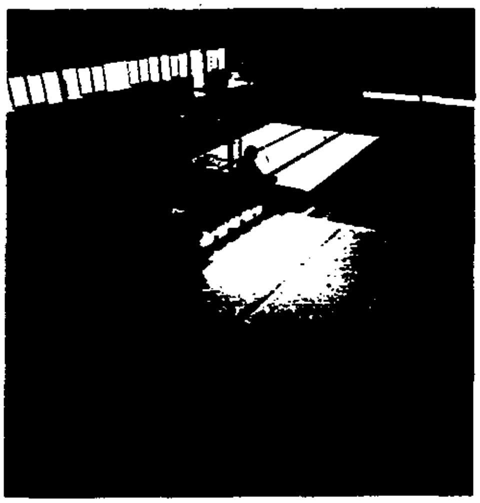
Cement

The tonnage of cement sold by Australian & Kandos Cement Holdings Ltd (A&K) in the year ended March 1975 was 8% lower than in the previous year. A&K is 50% owned by CSR. Profits were substantially lower because of the downturn in sales volume, a three weeks' strike in July and a four months' delay in obtaining a price increase approval from the Prices Justification Tribunal.

The upgrading of cement plant capacities at Geelong and Kandos is proceeding on schedule.



The concrete batching plant operated by Ready Mixed Concrete Industries Limited at Granville, Sydney



In the Gyprock plasterboard factory at Yarraville, Melbourne

Wunderlich asbestos cement sheet factory, Sunshine, Melbourne

The review of operations continues on page 31

CSR Limited and subsidiaries

FINANCIAL AND STATUTORY REPORTS
For the year ended March 31 1975

PROFIT AND LOSS ACCOUNT

Year ended March 31 197

	See Note	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 197 $00
Operating profit before income tax	3	70.653	58.055	30.903	17,77
Add: Dividends from					
—subsidiaries		—	—	9.154	5.36
—other corporations		5.880	5.874	5.718	5.68
		76.533	63.929	45.775	28.82
Less: Income tax expense thereon	5	32.872	28.256	14.592	8.28
		43.661	35.673	31.183	20.54
Less: Proportion applicable to minority interests		6.852	6.857	—	–
Net profit for year (before extraordinary items)		36.809	28.816	31.183	20.54
Extraordinary items after adjusting for proportion applicable to minority interests (net of income tax expense)	6	(3.086)	519	(5.287)	10.24
Net profit and extraordinary items		33.723	29.335	25.896	30.79
Add: Unappropriated profits brought forward		21.056	28.055	7.224	9.07
Adjustments thereto	7	(6.682)	(1.568)	(6.860)	3
Profits available for appropriation		48.097	55.822	26.260	39.89
Less: Interim dividend paid		7.571	6.099	7.571	6.09
Final dividend proposed		7.571	6.519	7.571	6.51
Transfers to reserves:					
Revenue	8	3.000	6.000	3,000	6.00
Increased cost of asset replacement	8	—	16,000	—	13,95
Capital profits	8	—	148	—	102
Unappropriated profits carried forward		29,955	21,056	8,118	7,224

C 3401

Notes on and forming part of the accounts are annexed

BALANCE SHEET

as at March 31 1975

	See Note	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
Authorised capital					
200,000,000 shares of $1 each (1974 125,000,000)		200,000	125,000	200,000	125,000
Paid capital					
100,942,380 fully paid shares of $1 each (1974 84,118,650)		100,942	84,119	100,942	84,119
Reserves	8	233,879	250,484	195,558	209,391
Unappropriated profits		29,955	21,056	8,118	7,224
CSR shareholders' funds		364,776	355,659	304,618	300,734
Equity of minority shareholders		63,313	62,019	—	—
TOTAL FUNDS		428,089	417,678	304,618	300,734
Represented by:					
ASSETS					
Fixed assets	9	257,797	239,960	150,318	145,691
Interests in joint ventures and partnerships	10	219,510	205,326	7,273	462
Investments	11	120,457	98,022	203,241	178,134
Term debtors and deferred costs	12	33,091	20,656	38,109	9,750
Current assets	13	250,025	186,756	173,061	123,240
Future income tax benefits	14	25,215	—	7,608	—
TOTAL ASSETS		906,095	750,722	579,610	457,277
Less:					
LIABILITIES AND PROVISIONS					
Non-current liabilities	15	148,636	153,212	40,644	50,264
Deferred income tax and other non-current provisions	17	100,446	63,151	29,490	14,543
Current liabilities	18	179,149	91,836	176,082	77,416
Current provisions	19	49,775	24,845	28,776	14,320
TOTAL LIABILITIES AND PROVISIONS		478,006	333,044	274,992	156,543
NET ASSETS		428,089	417,678	304,618	300,734
Mineral exploration	20				
Contracted capital expenditure and contingent liabilities	21				

C 3402

Notes on and forming part of the accounts are annexed

NOTES ON AND FORMING PART OF THE ACCOUNTS

1 STATEMENT OF ACCOUNTING METHODS

Significant accounting methods used in the accounts are summarised in this note.

Principles of consolidation
The group consolidation includes subsidiaries of all companies in which the group holds and/or controls more than half the issued ordinary share capital. All intercompany accounts and transactions have been eliminated. Stock on hand transferred within the group has been valued in accordance with the method stated for stock on hand and work in progress valuations, thereby eliminating unrealised profit. A list of subsidiaries is shown in Note 22.

The group's interests in listed and unlisted companies in which the shareholding is not more than half of the issued share capital are shown in the accounts as investments. Dividend income only is taken into profit.

Interests in joint ventures comprise investment at cost less depreciation in plant and equipment, leasehold improvements, construction in progress (including exploration, development and administration costs) and the net investment in joint venture working capital.

Interests in partnerships comprise the investment in net fixed assets and working capital.

Valuation of fixed assets
Certain fixed assets have been revalued at various times and are shown at valuation. All others are shown at cost.

Revaluation of non-current assets
Unrealised surpluses and also unrealised deficiencies arising from revaluation of non-current assets are transferred direct to capital reserves.

Stock and work in progress valuations
Trading stocks and work in progress are valued at the lower of cost (including factory overheads where applicable) and net realisable value. Other stocks and stores are valued at actual or average into-store cost (as appropriate) less any provision for diminution in value.

Mineral exploration
Expenditures on mineral exploration and development, including related overheads, are accumulated for each separate area of interest.

For areas of interest in which the existence of economically recoverable ore reserves has not been established, or in which investigations are still proceeding, provision has been set aside out of profits to provide for the possible writing off of all these expenditures.

Expenditure on areas which have been abandoned or are considered to be of no value is written off in the year in which such decision is made.

Where exploration proves economic reserves to exist, any related provision previously made is written back to profit and loss and the aggregated cost is capitalised. Provision is made for writing off the capitalised cost over the economic life of the ore reserves once operations commence.

Income tax
Tax effect accounting is used by the company whereby income tax expense for the year is matched with the accounting profit after allowing for permanent differences.

A retroactive consolidation adjustment was made in 1974 in respect of Section 77D and 77AA declarations of certain mining subsidiaries in favour of the parent.

A retroactive adjustment for cumulative timing differences arising up to and including year ended March 31 1973 has now been made in these accounts for year ended March 31 1975, to provision for deferred income tax account and to future income tax benefit account as an adjustment directly to retained profits, in accordance with the new accounting standard DS4 (tax effect adjustments for year ended March 31 1974 were made in that year's accounts).

Adjustments to provision for deferred income tax or future income tax benefits accounts resulting from changes to company tax rates are treated as extraordinary items.

Depreciation (including amortisation and depletion) of plant, equipment, property and buildings
Assets at cost or valuation are depreciated at rates based upon their expected economic lives, using the straight line method.

Foreign currency transactions
Unrealised gains or losses on overseas borrowings resulting from exchange rate realignments are recorded in the exchange realignment reserve. Gains or losses ultimately realised will be brought to account in the profit and loss account at such time as the borrowings or investments are redeemed or realised. Unrealised gains or losses in investments in overseas subsidiaries and in the non-current assets and liabilities of overseas branches are also recorded in the exchange realignment reserve.

Current assets and current liabilities in overseas currencies have been adjusted on the basis of exchange rates ruling at the end of the financial year and the resultant gains and/or losses arising therefrom are taken to account in determining the net profit for the year.

Investments in and loans to non-related overseas companies have been shown in Australian dollars converted at the rate applicable at the date of acquisition or valuation.

Profit and loss items and assets and liabilities recorded in overseas currencies by certain branches and subsidiaries are brought to account at the currency conversion rates ruling at the end of the financial year.

Apart from the above, the basis of conversion of transactions in other currencies affecting the profit and loss account is the rate ruling at the date of the transaction.

C 3403

2 ROUNDING AMOUNTS TO THE NEAREST $000

The parent company is a company of the kind specified in the order dated August 23 1974 made by the Commissioner for Corporate Affairs, permitting the rounding off to the nearest $000 of amounts in the accounts and directors' reports.

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000

3 OPERATING PROFIT BEFORE INCOME TAX

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
Includes—				
Interest received from subsidiaries	—	—	465	310
Surplus on sale of non-current assets	397	484	256	250
and is arrived at after charging—				
Provisions for depreciation of fixed assets	26,354	24,282	8,071	7,657
Other provisions:				
Mineral exploration	1,325	(968)	1,327	(970)
Losses in subsidiaries	—	—	250	1,789
Long service leave	3,893	2,155	2,822	1,546
Accrued annual and sick leave	2,387	473	527	447
Doubtful debts: Trade	881	426	239	136
Other	252	(15)	225	(122)
Pensions	—	1,300	—	1,300
Sundry costs	442	400	67	243
Directors' emoluments* received or due and receivable by—				
Non-executive directors:				
Parent —fees	67	58	67	58
—payment for extra services: Article 93(2)	3	—	3	—
—retiring allowance	—	20	—	20
Subsidiaries—fees	34	32	—	—
Interest paid—to subsidiaries	—	—	845	591
—to others	24,324	14,781	13,080	5,842

**No such emoluments were paid to executive directors*

4 AUDITORS' REMUNERATION

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
Amounts received or due and receivable by auditors for:				
Auditing the accounts	213	135	79	38
Other services	181	36	89	11

The auditors received no benefits other than the amounts shown

5 INCOME TAX EXPENSE

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
Income tax expense attributable to:				
Profit before extraordinary items	32,872	28,256	14,592	8,280
Extraordinary items	12	(364)	—	(364)
	32,884	27,892	14,592	7,916
Income tax expense is comprised of the amounts:				
Added to provision for current income tax	25,387	15,424	13,608	4,675
Added to provision for deferred income tax	5,255	12,468	1,754	3,241
Taken from future income tax benefits	2,242	—	(770)	—
	32,884	27,892	14,592	7,916

Continued on page 16

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
Note 5 continued				
Reconciliation of prima facie tax with income tax expense:				
Prima facie income tax calculated at 45 cents (1974—47 5 cents) in the dollar on profits before extraordinary items of:				
Consolidated—1975 $76.533.000	34.440			
.. —1974 $63.929.000		30.366		
Parent —1975 $45.775.000			20.599	
.. —1974 $28.824.000				13.691
Add:				
The tax effect of non allowable items—				
Depreciation provided in accounts (principally buildings)	732	529	449	423
Provision for diminution in value of investments	101	—	101	—
Dividend withholding tax in respect of dividends received or receivable from overseas subsidiary	80	113	80	113
Overseas tax rates differential	56	19	56	35
Additional tax expense associated with Section 77D-77AA declarations made by mining companies in favour of their shareholders	481	779	—	—
Other items	9	363	313	127
	35.899	32.169	21.598	14.389
Deduct:				
The tax effect of:				
Rebates on dividends received and included in profits	2.646	2.791	6.693	5.249
Investment allowance for expenditure on plant	102	310	67	203
Deduction allowed for share moneys subscribed to mining company	—	333	—	333
Export market development rebate	48	159	30	70
Income tax expense of previous years over-provided	231	320	216	254
	3.027	3.913	7.006	6.109
Income tax expense on—				
Profit before extraordinary items	32.872	28.256	14.592	8.280
Extraordinary items (Note 6)	12	(364)	—	(364
	32.884	27.892	14.592	7.916

6 EXTRAORDINARY ITEMS

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
Extraordinary items net of income tax where applicable				
Surplus on the sale of non-current assets (net of income tax consolidated $12,000; 1974 nil)	448	90	427	103
Home Units Australia Group—				
Loss on sale of shares	(2,000)	—	(2,000)	—
Provision for diminution in value of—				
shares	(2,000)	—	(2,000)	—
loans	(2,100)	—	(2,100)	—
Adjustment to income tax expense in respect of prior years consequent on reduction in tax rate	3,280	—	386	—
Surplus transferred from provision for replacement account, being the excess over accumulated depreciation requirements at April 1 1973	—	12,663	—	10,555
Amount of a retroactive adjustment as at April 1 1973 arising from a credit to deferred income tax, to recognise and correct for the timing effect of past Section 77D and 77AA declarations made by subsidiaries carrying on mining operations	—	(12,315)	—	—
Tax benefits realised in respect of prior year losses by subsidiaries	—	1,117	—	—
Income taxes payable in excess of income tax expense charged against profit	—	(167)	—	—

C 3405

Continued on page 17

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
Note 6 continued				
Non-current assets written off (net of income tax $364,000)	—	(522)	—	(402)
Miscellaneous	46	56	—	(9)
	(2.326)	922	(5.287)	10.247
Less: Proportion applicable to minority interests	760	403	—	—
Proportion applicable to CSR Ltd	(3.086)	519	(5.287)	10.247

7 ADJUSTMENTS TO UNAPPROPRIATED PROFIT

(after allowing for the amount applicable to minority interests)

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
Tax effect accounting adjustments not previously recognised in prior years:				
Transfers to: Provision for deferred income tax	(15.161)	—	(13.699)	—
Future income tax benefits	8.630	—	6.839	—
Increase in balance of unappropriated profits brought forward due to currency changes	4	21	—	—
Unappropriated profits (accumulated losses) of subsidiaries acquired during period	(155)	36	—	—
Sundry	—	—	—	30
Unappropriated profits of a former subsidiary	—	(1.625)	—	—
Adjustments to unappropriated profits	(6.682)	(1.568)	(6.860)	30

8 RESERVES

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
Reserves: Increased cost of asset replacement	16.000	16.000	13.950	13.950
Share premium	23.907	40.731	23.907	40.731
Capital	94.047	96.030	59.331	59.331
Revenue	98.396	95.395	98.140	95.140
Exchange realignment	1.529	2.328	230	239
	233.879	250.484	195.558	209.391
Movements in reserves: Increased cost of asset replacement				
—transfer from profit and loss	—	16,000	—	13,950
Share premium				
—bonus issue of shares	(16.824)	—	(16.824)	—
—premium on shares issued—1974	—	1,045	—	1,045
	(16.824)	1,045	(16.824)	1,045
Capital—surplus on revaluation of non-current assets	109	68.321	—	32.365
—deficiency on revaluation of non-current assets	(2,406)	—	—	—
—surplus on sale of non-current assets transferred from profit and loss	—	148	—	102
—surplus arising from investment in certain subsidiaries (being premium on consolidation)	314	284	—	66
—transfer from revenue reserves	—	558	—	—
	(1,983)	69.311	—	32.533

C 3406

Continued on page 18

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
Note 8 continued				
Revenue—transfer from profit and loss	**3.000**	6.000	**3.000**	6.000
—surplus arising from effects of currency fluctuations on reserves of a subsidiary	**1**	11	—	—
less:				
—*transfer to capital reserves*	—	(558)	—	—
—reserves of former subsidiaries	—	(1.529)	—	—
	3.001	3.924	**3.000**	6.000
Exchange realignment				
—unrealised surplus (deficiency) on currency realignments	**(799)**	633	**(9)**	239
	(16.605)	90.913	**(13.833)**	53.767

9 FIXED ASSETS

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
Freehold and leasehold land:				
At officers valuation 1965	**1.051**	1.051	—	—
1973	—	283	—	—
1974	**18**	18	—	—
1975	**2.473**	—	—	—
At independent valuation 1971	**3**	72	—	—
1974	**84.382**	89.262	**40.770**	40.922
*1975	**2.410**	—	—	—
At cost	**3.476**	1.340	**876**	670
	93.813	92.026	**41.646**	41.592
Less provision for depreciation	**186**	185	—	—
	93.627	91.841	**41.646**	41.592

*Names of valuers: G G Jones ACIV J T Wright Sworn Valuer R J Elliot Sworn Valuer J C Virtue ACIV

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
Buildings, machinery, plant and equipment (including mine development)				
At officers' valuation 1955	**869**	869	—	—
1956	**1,633**	1,633	—	—
1959	**950**	950	—	—
1961	—	606	—	—
1962	**67,472**	67,876	**62,550**	62,627
1963	**870**	870	—	—
1964	**4**	4	—	—
1965	**25**	25	—	—
† 1971	**3,200**	2,396	—	—
1973	—	264	—	—
1974	**232**	239	**232**	237
1975	**1,399**	—	—	—
At independent valuation 1967	**576**	573	**4**	5
1970	**9,019**	9,002	**9,019**	9,002
‡ 1975	**271**	—	—	—
At cost	**219,185**	191,363	**123,522**	112,869
	305,705	276,670	**195,327**	184,740
Less provision for depreciation	**141,535**	128,551	**86,655**	80,641
	164,170	148,119	**108,672**	104,099
Freehold and leasehold land as above	**93,627**	91,841	**41,646**	41,592
	257,797	239,960	**150,318**	145,691

C 3407

† *Increased valuation due to subsidiaries acquired during the year.*
‡ *Name of valuer: G M Lawrence FCIV*

	Consolidated 1975 $000	Consolidated 1974 $000	Parent 1975 $000	Parent 1974 $000

10 INTERESTS IN JOINT VENTURES AND PARTNERSHIPS

Interests in joint ventures: Investment by Pilbara Iron Ltd in Mt Newman iron ore project
Investment by Gove Alumina Ltd in Gove bauxite-alumina project
Investment by parent company in a joint venture with a subsidiary—Mount Gunson copper project

	Consolidated 1975 $000	Consolidated 1974 $000	Parent 1975 $000	Parent 1974 $000
The above investments comprise:				
Cost of plant and equipment, leasehold improvements and construction in progress (including exploration, development and administration costs)	248,414	226,986	6,297	—
Less provision for depreciation	(39,115)	(27,531)	(613)	—
Plus excess of current assets over current liabilities: Current assets	20,041	11,682	1,841	—
Current liabilities	(9,925)	(6,271)	(347)	—
	219,415	204,866	7,178	—
Interest in partnerships:				
Australian Chemship Line (also Hardie Bl, Shipven in 1974)	95	462	95	462
	219,510	205,328	7,273	462

11 INVESTMENTS

	Consolidated 1975 $000	Consolidated 1974 $000	Parent 1975 $000	Parent 1974 $000
Shares in—				
Corporations quoted on prescribed stock exchanges:				
At officers' valuation 1969	—	1,071	—	—
1972	21,291	21,506	21,291	21,506
1975	921	—	—	—
At cost	14,231	6,784	12,143	6,623
	36,443	29,361	33,434	28,129
Quoted market value	35,592	35,363	32,041	33,912
Corporations not quoted on prescribed stock exchanges:				
At officers' valuation 1965	23,983	23,983	23,963	23,963
1972	5	5	5	5
1973	14	14	14	14
At cost	56,563	38,884	54,757	37,467
	80,565	62,886	78,739	61,449
Less provision for diminution in value	2,006	—	2,000	—
	78,559	62,886	76,739	61,449
Government, municipal and other public debentures not quoted on prescribed stock exchanges—at cost	45	45	—	—
Fiji Government stock maturing 1976-1986 (average term approx. 5 years, average interest rate 9.5%)—at cost	5,410	5,730	5,410	5,730
	5,455	5,775	5,410	5,730
Shares in subsidiaries:				
At officers' valuation 1967	—	—	23,048	24,420
1970	—	—	11,335	11,335
1971	—	—	3,093	3,093
1972	—	—	652	652
1973	—	—	1,842	1,842
1974	—	—	1,254	1,254
At cost	—	—	56,025	49,476
	—	—	97,249	92,072
Less provision for—mineral exploration in subsidiaries	—	—	6,275	6,180
—losses in subsidiaries	—	—	3,456	3,206
	—	—	87,518	82,686
Debentures of a subsidiary at cost	—	—	140	140
	120,457	98,022	203,241	178,134

C 3408

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
12 TERM DEBTORS AND DEFERRED COSTS				
Amounts owing by subsidiaries	—	—	*16.278	—
Loans to directors of the company and of its subsidiaries (all such loans are to directors in the full-time employment of the company or of a subsidiary and are pursuant to the staff housing loans scheme)	353	373	192	215
Other term debtors	32.735	20.264	21.639	*9.535
NZ sugar price stabilisation account (see contra—Note 15)	3	19	—	—
	33.091	20.656	38.109	9.750

** Previously included in current assets*

The consolidated amount of other term debtors consists principally of an amount repayable by the Port Hedland Port Authority over a period of years to Pilbara Iron Ltd. The parent amount consists of loans made to employees other than directors pursuant to the staff housing loan scheme plus loans to outside companies, some of which were included in current assets last year.

The items New Zealand sugar price stabilisation account and contra (consolidated) relate to an agreement between the New Zealand Sugar Company Ltd and the New Zealand Government, made under the provisions of the Finance Act 1972. The agreement provides for the difference between the actual purchase price of raw sugar and the notional price for domestic pricing purposes to be met from a sugar price stabilisation account guaranteed by the Government. Following the latest amendment to the agreement (March 1975) the term of the agreement has been extended to March 31 1976.

The cost arising because of the difference between the two prices is the figure appearing in the New Zealand sugar price stabilisation account and it represents a deferred cost.

The recovery of this cost is met from a special bank overdraft, the repayment of which is protected by the agreement. The profit of New Zealand Sugar Company Ltd for the year has been arrived at in accordance with the terms of the agreement with the New Zealand Government.

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
13 CURRENT ASSETS				
Stock on hand:				
Finished goods at lower of cost or net realisable value	23.398	13.960	6.472	4.415
Raw and process materials at cost	*30.936	15.048	6.447	4.405
Spares, maintenance stores and supplies at cost less provision for diminution in value (see below)	7,157	4.339	4.086	3.362
**Raw sugar stocks in New Zealand $1,936,000 (1974 $4,896,000) have been valued in accordance with the conditions of the New Zealand sugar price stabilisation agreement (see Note 12)*				
	61,491	33,347	17,005	12,182
Work in progress at lower of cost or net realisable value	2,273	2,706	313	622
Debtors:				
Trade debtors	61,329	49,164	31,316	21,172
Less provision for doubtful debts	(2,019)	(1,585)	(993)	(868)
Other debtors and prepayments	9,710	14,070	6,477	11,114
Less provision for doubtful debts	(249)	(88)	(249)	(81)
	68,771	61,561	36,551	31,337
Amounts owing by subsidiaries	—	—	22,834	12,739
Short term deposits	113,933	85,150	94,271	63,022
Less provision for doubtful debts (includes Home Units Australia Group —$2,100,000)	(2,157)	—	(2,157)	—
	111,776	85,150	92,114	63,022
Cash at banks and on hand	5,714	3,992	4,244	3,338
	250,025	186,756	173,061	123,240
The amount for stock on hand has been arrived at after making provisions for possible diminution in value	293	212	264	186
Bad debts written off to provisions	447	316	113	80

C 3409

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
14 FUTURE INCOME TAX BENEFITS				
This asset represents the tax effects of some trading losses and of charges against profit and loss which are not available as deductions against taxable income until some future date	25.215	—	7.608	—

The value of future income tax benefits will only be obtained if:
(a) Assessable income is derived of a nature and of amount sufficient to enable the benefit of the deductions to be realised;
(b) conditions for deductibility imposed by the law are complied with; and
(c) no changes in tax legislation adversely affect the realisation of the benefit of the deductions.

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
15 NON-CURRENT LIABILITIES				
Debenture stock (Note 16)	127.008	102.217	24.858	5.414
Other secured loans repayable later than twelve months (see below)	18.485	3.792	—	—
Unsecured loans repayable later than twelve months (see below)	3.140	7.184	15.786	4.850
Unsecured notes issued by CSR Ltd (1975: included in current liabilities)	—	40.000	—	40.000
Bank overdraft—NZ sugar price stabilisation account (Note 12)	3	19	—	—
	148.636	153.212	40.644	50.264
Other secured loans repayable later than twelve months:				
Banks—secured by creditors' debenture stock issued by CSR Ltd	14,798	—	—	—
—secured over assets of a subsidiary	800	808	—	—
	15.598	808	—	—
Other	2,887	2,984	—	—
	18,485	3.792	—	—
Unsecured loans repayable later than twelve months:				
Bank	699	659	—	—
Subsidiaries	—	—	14.820	—
Other	2,441	6.525	966	4,850
	3.140	7.184	15.786	4.850

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
16 DEBENTURE STOCK				
Debenture stock issued and outstanding held by other persons—due within 12 months issued by—				
CSR Ltd	—	11,903	—	11.903
Carba Australia Ltd	—	70	—	—
Gove Alumina Ltd	4,806	1,427	—	—
Pilbara Iron Ltd	7,600	7,600	—	—
Note 18	12,406	21,000	—	11,903
due later than 12 months issued by—				
CSR Ltd (1977-1980)	24,858	5,414	24,858	5,414
Gove Alumina Ltd (1976-1986)	49,200	51,744	—	—
Pilbara Iron Ltd (1976-1983)	52,950	45,059	—	—
Note 15	127,008	102,217	24,858	5,414
	139,414	123.217	24.858	17,317

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	CONSOLIDATED		PARENT	
	1975	1974	1975	1974
	$000	$000	$000	$000

17 DEFERRED INCOME TAX AND OTHER NON-CURRENT PROVISIONS

	1975 $000	1974 $000	1975 $000	1974 $000
Provisions:				
Deferred income tax*	**86,456**	49,283	**18,622**	3,240
Non-current long service leave	**11,586**	10,119	**8,598**	7,754
Non-current accrued annual leave	**842**	1,645	**804**	1,613
Non-current pensions and retiring allowances	**1,383**	1,936	**1,383**	1,936
Sundry	**179**	168	**83**	—
	100,446	63,151	**29,490**	14,543

**Provision for deferred income tax includes the liability for dividend withholding tax on unappropriated profits of an overseas subsidiary*

18 CURRENT LIABILITIES

	1975 $000	1974 $000	1975 $000	1974 $000
Debenture stock (see Note 16)	**12,406**	21,000	—	11,903
Unsecured notes	**40,000**	—	**40,000**	—
Bank overdrafts (see below)	**8,305**	9,858	**381**	—
Loans repayable within twelve months (see below)	**22,162**	16,378	**20,112**	15,326
Trade creditors	**92,404**	39,816	**76,290**	25,956
Other creditors	**3,872**	4,784	**1,912**	2,846
Amounts owing to subsidiaries	—	—	**37,387**	21,385
	179,149	91,836	**176,082**	77,416
Bank overdrafts:				
Secured	**2,781**	4,045	—	—
Unsecured	**5,524**	5,813	**381**	—
	8,305	9,858	**381**	—
Loans repayable within twelve months:				
Bank loans —secured	**256**	308	—	—
—unsecured	**100**	5,115	—	5,000
Other loans—secured	**201**	143	—	—
—unsecured	**21,605**	10,812	**20,112**	10,326
	22,162	16,378	**20,112**	15,326

19 CURRENT PROVISIONS

	1975 $000	1974 $000	1975 $000	1974 $000
Provisions:				
Current income tax	**36,467**	15,753	**16,991**	5,650
Dividend	**7,571**	6,519	**7,571**	6,519
Uninsured losses and future claims	**629**	629	**629**	629
Overhauls, renewals and repairs	**94**	45	**50**	41
Current long service leave	**1,702**	602	**1,478**	435
Current annual and sick leave	**2,458**	508	**1,557**	446
Current pensions	**500**	600	**500**	600
Sundry	**354**	189	—	—
	49,775	24,845	**28,776**	14,320

20 MINERAL EXPLORATION

	1975 $000	1974 $000	1975 $000	1974 $000
Cumulative balance to date on current projects	**8,170**	6,899	**1,895**	687
Less: Provision by parent company	**8,170**	6,899	**1,895**	687
	—	—	—	—

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000

21 CONTRACTED CAPITAL EXPENDITURE AND CONTINGENT LIABILITIES

	CONSOLIDATED 1975 $000	CONSOLIDATED 1974 $000	PARENT 1975 $000	PARENT 1974 $000
Contracts for capital expenditure:				
Liability under contract for purchase of shares in The Australian Estates Company Limited	46.562	—	46.562	—
Sundry contracts in respect of buildings, plant and equipment for which no provision has been made in the accounts for the year	27.392	14.294	6.586	2.487
Liability for capital uncalled on shares held in subsidiary and other companies	1,122	2.915	7,090	8,885
Contingent liabilities:				
Secured—in respect of loans to a subsidiary and an associated company (secured by creditors' debenture stock issued by CSR Ltd)	900	—	15.801	—
Unsecured—miscellaneous liabilities	1,526	3.565	2.075	4,028

Liability as self-insurer—the parent company is authorised to act as a self-insurer in New South Wales and South Australia in respect of Workers' Compensation insurance against which it is considered adequate provision has been made.
Legal proceedings have been taken by another company against Pilbara Iron Ltd claiming unspecified damages for alleged contamination by iron ore dust alleged to have been carried from the Mount Newman joint venture stock piles.

22 PARTICULARS RELATING TO SUBSIDIARY COMPANIES

		Place of incorporation	Class of share	Owned by CSR %	CSR investment $	Contribution to 1975 Group* profit (loss) After extraordinary items $	Contribution to 1975 Group* profit (loss) Before extraordinary items $	Dividends received or receivable by CSR 1975 $	Dividends received or receivable by CSR 1974 $
SUGAR DIVISION									
New Zealand Sugar Co Ltd	3	NZ	Ord $NZ1	100	1,984,000	387,944	387,944	40,276	98,620
Pacminex (NZ) Ltd	3	NZ	Ord $NZ1			—	—		
Chelsea Investments Ltd	3	NZ	Ord $NZ1			40,276	40,276		
McCaffery Services Pty Ltd		NSW	Ord $1	100	595,046	162,885	157,417	157,000	91,000
Macadamia Nuts Pty Ltd		NSW	Ord $2	100	63,093	1,049	1,049		
					2,642,139	591,954	586,686	197,276	189,620
MINERALS DIVISION									
Pilbara Iron Ltd	4	WA	A Ord $1	1.7	48,214	10,983,972	9,774,695	4,819,500	2,065,500
	4	WA	Ord $1	74	22,901,786				
Gove Alumina Ltd		NSW	Ord $1	51	15,664,596	1,512,974	1,325,226	1,879,751	430,168
			Non-red 7¾% Pref $1						
Buchanan Borehole Collieries Pty Ltd		NSW	Ord $1	92.65	5,155,838	1,141,640	1,114,204	54,864	
Pacminex (Operations) Pty Ltd		NSW	Ord $1	100	10,000,000	157,009	122,082		
Pacminex (NSW) Pty Ltd		NSW	Ord $1	100	75,000				
Pacminex (NT) Pty Ltd		NT	Ord $1	100	5,000				
Pacminex (Qld) Pty Ltd		Qld	Ord $1	100	140,000				
Pacminex (SA) Pty Ltd		SA	Ord $1	100	610,000				
Pacminex (Tas) Pty Ltd		Tas	Ord $1	100	4,000				
Pacminex (Vic) Pty Ltd		Vic	Ord $1	100	500				
Pacminex (WA) Pty Ltd		WA	Ord $1	100	1,025,000	(230,070)	(230,070)		
Pacminex Pty Ltd		NSW	Ord $1	100	500				
Torres Exploration Pty Ltd		Qld	Ord $1	100	2				
Mount Gunson Mines Pty Ltd		SA	Ord $1	100	1,550,000	(212,247)	(212,247)		
					57,180,436	13,353,278	11,893,890	6,754,115	2,495,668

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Continued on page 24

Note 22 continued

	Place of incorporation	Class of share	Owned by CSR	CSR investment	Contribution to 1975 Group* profit (loss)		Dividends received or receivable by CSR	
					After extra-ordinary items	Before extra-ordinary items	1975	1974
			%	$	$	$	$	$
BUILDING AND CONSTRUCTION MATERIALS DIVISION								
Masonite Corporation (Aust) Pty Ltd	NSW	Ord stock units $2	100	5,351,327	402,081	388,395	408,000	763,500
Mitcham Properties Pty Ltd	Vic	Ord $2			6,557	6,067		
Australian Quarries Pty Ltd	NSW	A & B Ord $1	100	1,119,300	44,956	44,730	137,500	216,000
Gravel & Sand Suppliers Pty Ltd	NSW	Ord $1			72,393	70,444		
Gravel & Sand Suppliers No 1 Pty Ltd (formerly Independent Concrete Pty Ltd)	NSW	Ord $1			24,668	22,929		
Gravel & Sand Suppliers No 2 Pty Ltd (formerly Independent Concrete (Pendle Hill) Pty Ltd)	NSW	Ord $2			—	—		
Dia Plastics Pty Ltd	NSW	Ord $2	100	120,000	10,522	10,278	10,000	10,000
Midalco Pty Ltd	WA	Ord $2	100	4,800,000	9,007	—		189,000
CSR Flooring Sales Pty Ltd	Vic	Ord $2	100	106,305	3,959	3,936	3,500	
Asbestos Products (Sales) Pty Ltd	NSW	A & B Ord $2	100	1,989	—	—		
BI Holdings Pty Ltd	NSW	Ord $2	100	1,228,359	10,169	10,162	85,000	338,000
BI (Australia) Pty Ltd	NSW	A & B Ord $2			(2,385)	(2,569)		
Bradford Insulation Industries Pty Ltd [1]	NSW	Ord $2			(315,759)	(319,556)		
Bradford Insulation (Qld) Pty Ltd	Qld	A Ord & Ord $2			27,373	26,275		
Bradford Insulation (Vic) Pty Ltd	Vic	Ord $2			108,654	106,634		
Bradford Insulation (WA) Ltd	WA	Ord $1			151,877	145,323		
Dallas Pty Ltd	WA	Ord $2			—	—		
Wunderlich Ltd	NSW	Ord $1	100	11,335,072	(294,858)	(306,140)		388,500
Wunderlich Staff Nominees Pty Ltd	NSW	Ord $2			—	—		
				24,062,352	259,214	206,908	644,000	1,905,000
OTHER								
Carba Industries Ltd	Vic	Ord $1	100	3,407,775	—	—	568,000	511,500
Carba Australia Ltd	Vic	Ord $1			590,410	578,175		
Waldown Pty Ltd	Vic	Ord $1			66,094	64,902		
Australian National Power Alcohol Co Pty Ltd	Qld	Ord $2	100	1,842,200	197,082	197,082	147,000	67,500
Commonwealth Distilleries Pty Ltd	Qld	Ord $1	100	20,000	14,794	14,665	14,500	9,000
CSR Chemicals Ltd	NSW	Ord $1	50.3	6,779,260	141,429	141,429	747,106	—
Robert Corbett Pty Ltd	NSW	Ord $2			(3,933)	(4,034)		
The Newcastle Chemical Co Pty Ltd	NSW	Ord $2			(24,241)	(24,253)		
CSR Research Pty Ltd	NSW	Ord $1	100	2	40,557	38,638	20,000	42,000
Dry Ice (Queensland) Pty Ltd	Qld	A & B Ord $1	100	1,253,554	84,405	83,925	62,500	45,500
Dry Ice (NQ) Pty Ltd	Qld	A & B Ord $1			24,017	24,017		
Distil Pty Ltd	Vic	Ord $2	100	24,031	81	81		913
		6% Cum Pref $2		15,000				
Frome CO_2 Pty Ltd	NSW	Ord $1	100	12,000				
Bentoc Ltd	ACT	Ord $1	100	10,000	20,724	20,724		
Building Finance Ltd [2]	Fiji	Ord $F2	100	4				
CSR Provident Fund Nominees Pty Ltd	NSW	Ord $2	100	198				
Harwood Nominees Pty Ltd	NSW	Ord $1	100	100				
Patson Pty Ltd	NSW	Ord $1	100	2				
				13,364,126	1,151,419	1,115,351	1,559,106	676,413
				97,249,053	15,355,865	13,802,835	9,154,497	5,266,701
Subsidiaries disposed of								
South Pacific Sugar Mills Ltd								102,354
TOTAL				97,249,053	15,355,865	13,802,835	9,154,497	5,369,055

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1 Carries on business in Singapore
2 Carries on business in Fiji

STATEMENT BY DIRECTORS

In the opinion of the directors of CSR Limited, the profit and loss account is drawn up so as to give a true and fair view of the profit of the company for the financial year ended March 31 1975; and the balance sheet is drawn up so as to give a true and fair view of the state of affairs of the company as at March 31 1975; and the accompanying group accounts are drawn up so as to give a true and fair view of the profit of the company and its subsidiaries for the financial year ended March 31 1975 and the state of affairs of the company and its subsidiaries as at March 31 1975 so far as they concern members of the company.

Signed in accordance with a resolution of the directors

R G JACKSON
General Manager

J W DUNLOP Director

Sydney
June 23 1975

G B KATER Director

STATEMENT BY PRINCIPAL ACCOUNTING OFFICER

To the best of my knowledge and belief the group accounts with the notes thereto set out on pages 12 to 24 give a true and fair view of the matters required to be dealt with therein by section 162 of the Companies Act 1961.

Sydney
June 23 1975

S J DRODER
Principal Accounting Officer

AUDITORS' REPORT TO THE MEMBERS OF CSR LIMITED

In our opinion:

(a) the attached accounts, on pages 12 to 24 inclusive, being the balance sheet and profit and loss account of CSR Limited, and group accounts, being the consolidated balance sheet and consolidated profit and loss account of the company and its subsidiaries, are properly drawn up in accordance with the provisions of the Companies Act 1961, and so as to give a true and fair view of:
   (i) the state of affairs of the company and of the group as at March 31 1975, and of the results of the company and of the group for the year ended on that date so far as they concern members of the holding company; and
   (ii) the other matters required by section 162 of that Act to be dealt with in the accounts and in the group accounts;

(b) the accounting records and other records, and the registers required by that Act to be kept by the company and by those subsidiaries of which we are the auditors have been properly kept in accordance with the provisions of that Act or in the case of the subsidiaries incorporated in another State or Territory of the Commonwealth and of which we are the auditors in accordance with the provisions of the corresponding law of that State or Territory.

The names of the subsidiaries of which we have not acted as auditors are:

Buchanan Borehole Collieries Pty Ltd
McCaffrey Services Pty Ltd
New Zealand Sugar Co Ltd
Chelsea Investments Ltd
Pacminex (NZ) Ltd

and we have examined their accounts and the auditors' reports thereon.

We are satisfied that the accounts of the subsidiaries that have been consolidated with other accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us for that purpose.

No auditors' report on the accounts of any of the subsidiaries was made subject to any qualifications, or included any comment made under subsection (3) of section 167 of that Act.

YARWOOD VANE & CO
F N Summerhayes
Partner
CHARTERED ACCOUNTANTS
Registered under the Public Accountants Registration Act 1945, as amended

Sydney
June 23 1975

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DIRECTORS' REPORT CONTINUED—STATUTORY REQUIREMENTS

In compliance with the provisions of Section 162A of the Companies Act, the directors of CSR Limited report as follows:

Directors

The directors in office at the date of this report are Sir John Dunlop, Sir Gregory Kater, Sir James Vernon, Mr T J N Foley, Mr R G Jackson, Sir John Overall, Mr O K Voss, Mr A J Campbell, Dr D D Brown, Mr B N Kelman, Mr M G King and Mr J S Proud.

Principal activities

The principal activities of the corporations in the group in the course of the year were the production and sale of raw and refined sugar together with the provision of services to the Queensland Government for the Australian sugar industry; the production and sale of materials for building and construction; mining and mineral exploration; the production and sale of industrial chemicals, alcohols and carbon dioxide.

During the year there was no significant change in the nature of the activities of the group.

Profit

The net amount of the consolidated profit of the group for the year, after provision for income tax and after deducting amounts which should properly be attributed to persons other than corporations in the group, was $36,809,000 before deducting extraordinary items of $3,086,000. The extent to which each corporation in the group contributed to the above consolidated profit is:

	$
CSR Limited *(after adding back provision for losses in subsidiaries $250,000 and after deducting income from dividends on shares in related corporations)* before extraordinary items	22,279,000
Subsidiaries before extraordinary items—see Note 22	13,803,000
	36,082,000
Plus consolidation adjustment principally relating to a credit to deferred income tax	727,000
	36,809,000

Subsidiaries acquired

Particulars of subsidiaries acquired during the year are:

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	Consideration $A	Net tangible assets at date of acquisition $A
Bentoc Ltd	2	2
Chelsea Investments Ltd	974	974
Harwood Nominees Pty Ltd	2	2

In addition, during May 1974 the parent company increased its 50% shareholding in Buchanan Borehole Collieries Pty Ltd to 92.65%, the total outlay being $5,155,838 in cash (net tangible assets at date of acquisition $5,469,926).

Transfer to and from reserves or provisions

Details of material transfers to and from reserves and provisions of any corporation in the group are shown on page 28 of this report.

Share issues

The parent company made a bonus distribution to shareholders on January 15 1975, in the form of fully paid-up shares, of part of the amount standing to the credit of the share premium reserve. The distribution, on the basis of one new fully-paid share for each five shares held, resulted in the issue of 16,823,730 shares of $1.00 each.

Following this issue, the issued capital of the company was $100,942,380.

Details of shares issued by subsidiaries during the year are:

Company	Details of issue	Purpose of issue
Bentoc Ltd	10,000 Ordinary shares fully paid $1.00	Initial working capital of new company
Chelsea Investments Limited	3,000,000 Ordinary shares paid as to $NZ 0.5921 ($A 0.5873)	.. .. ..
Harwood Nominees Pty Ltd	100 Ordinary shares fully paid $1.00	.. .. ..

Debenture stock issues

Creditors debenture stock with a face value of $34 million was issued as security for certain fluctuating overdraft facilities of the parent and an associated company. Creditors debenture stock with a face value of US$48 million was issued in connection with the Eurocurrency facility referred to on page 34 of the report.

During the year Pilbara Iron Ltd issued debentures as under:

Class	*Term*	*Rate*	*Amount*	*Purpose*
Reserved stock	10 years	10.25% pa	$15,000,000	To finance capital expenditure

Details of other debenture stock issues are provided on page 34.

Dividends

The amounts paid or declared by way of dividend by the company to its shareholders since the end of the previous financial year are:

As proposed in last year's report, final dividend of 7¾ cents per share in respect of year ended March 31 1974 was paid July 24 1974, totalling $6,519,195.

Interim dividend of 7½ cents per share and a bonus dividend of 1½ cents per share in respect of year ended March 31 1975 were paid December 18 1974, totalling $7,570,679.

The proposed final dividend of 7½ cents per share in respect of year ended March 31 1975 amounts to $7,570,679.

Dividends paid to or declared in favour of CSR Limited by subsidiaries in the period since the end of the financial year are:

Company	Date	Amount
Gove Alumina Ltd	May 29 1975	$939,875

Dividends paid to or declared in favour of CSR Limited during the financial year are shown in Note 22 of the notes to the accounts.

Additional statements

Before the preparation of the parent company's accounts for the year, the directors took reasonable steps to ascertain what action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and to cause all known bad debts to be written off and adequate provision to be made for doubtful debts.

At the date of this report the directors of the parent company are not aware of any circumstances which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the group inadequate to any substantial extent.

The directors, before the profit and loss account and balance sheet were made out, took reasonable steps to ascertain whether any current assets of the holding company other than debts were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the company and ascertained that none of such current assets was unlikely to do so, other than certain items in respect of which adequate provision was made.

At the date of this report the directors are not aware of any circumstances which would render the values attributed to current assets in the group accounts misleading.

At the date of this report there does not exist—

(i) any charge on the assets of any corporation in the group which has arisen since the end of the financial year and secures the liabilities of any other person; or

(ii) any contingent liability of any corporation in the group which has arisen since the end of the financial year, other than for uncalled capital of $693,000 on shares held in an associated company and for a US$3.0 million ($A2.2 million) Eurodollar loan arranged for a subsidiary and guaranteed by the parent.

No contingent or other liability of any corporation in the group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the corporation to meet its obligations as and when they fall due.

At the date of this report the directors are not aware of any circumstances, not otherwise dealt with in this report or group accounts, which would render any amount stated in the group accounts misleading.

The results of the operations of the group or of any corporation in the group during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature otherwise than as referred to in the accounts or this report.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of any corporation in the group for the next succeeding financial year except as referred to ~~in the~~ accounts or this report.

Since the end of the previous financial year no director of CSR Limited has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the group accounts, in accordance with the Ninth Schedule, or the fixed salary of a full-time employee of the company) by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Signed in accordance with a resolution of the directors of CSR Limited.

R G JACKSON General Manager

J W DUNLOP Director

Sydney
June 23 1975

G B KATER Director

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AMOUNTS AND PARTICULARS OF MATERIAL TRANSFERS TO AND FROM RESERVES OR PROVISIONS

Corporation	Particulars		$000
Parent	Revenue reserve	From profit and loss	3,000
	Share premium	From such reserve	16,824
	Final dividend	To such provision	7,571
	Deferred income tax	To such provision	15,552
	Current income tax	..	13,608
	Long service leave	..	2,845
	Annual leave	..	558
	Doubtful debts—trade	..	239
	Doubtful debts—other	..	2,325
	Mineral exploration	..	1,577
		From such provision	250
	Losses in subsidiaries	To such provision	250
	Diminution in value of investments	..	2,000
	Depreciation	..	8,071
Australian National Power Alcohol Co Pty Ltd	Current income tax	..	194
Gravel & Sand Suppliers Pty Ltd	Current income tax	..	108
Bradford Insulation Industries Pty Ltd	Deferred income tax	..	161
	Doubtful debts—trade	..	110
	Long service leave	..	118
	Depreciation	..	512
Bradford Insulation (WA) Ltd	Current income tax	..	180
Carba Australia Ltd	Current income tax	..	422
	Deferred income tax	..	218
	Depreciation	..	509
CSR Chemicals Ltd	Current income tax	..	344
	Deferred income tax	..	1,346
	Long service leave	..	322
	Catalyst replacement	..	179
	Depreciation	..	2,531
Dia Plastics Pty Ltd	Capital reserve	From such reserve (revaluation of land)	2,229
Gove Alumina Ltd	Exchange realignment	From such reserve	428
	Deferred income tax	To such provision	17,418*
	Depreciation	..	4,493
McCaffery Services Pty Ltd	Current income tax	..	135
Masonite Corporation (Australia) Pty Ltd	Current income tax	..	379
	Deferred income tax	..	128
	Depreciation	..	117
Mount Gunson Mines Pty Ltd	Depreciation	..	257
New Zealand Sugar Co Ltd	Current income tax	..	338
Pilbara Iron Ltd	Exchange realignment	From such reserve	362
	Current income tax	To such provision	9,273
		From such provision	380
	Deferred income tax	To such provision	3,078
		From such provision	1,398
	Depreciation	To such provision	7,599
Buchanan Borehole Collieries Pty Ltd	Deferred income tax	..	2,076
	Annual leave	..	267
	Depreciation	..	365
Wunderlich Ltd	Capital reserves	From such reserve	150
	Long service leave	To such provision	473
	Annual leave	..	1,471
	Doubtful debts—trade	..	292
	Sick leave	..	457
	Depreciation	..	1,347

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Partly offset by transfer of $13,827,000 to future income tax benefits account

STATEMENT OF SECURITY HOLDERS AS AT MAY 21 1975

Share capital

CSR Limited has 58.390 shareholders and 100.942.380 fully paid $1 ordinary shares.

91% of the shares are held in Australia; 98% are held in Australia and New Zealand.

The portion of the share capital held by or on behalf of the 20 largest shareholders is 28%.

Voting rights (Article 73)

On a show of hands every person present qualified to vote whether as member or proxy or attorney or representative shall have one vote. Upon a poll every member shall have one vote for every share held by him, but no member shall have more than 40.000 votes. A member entitled to more than one vote need not if he votes use all his votes or cast all the votes he uses in the same way.

DISTRIBUTION OF SHAREHOLDERS AND SHAREHOLDINGS

	Number of shareholders	%	Number of shares	%
Registered address				
Australia	49.490	84.8	91.950.200	91.1
New Zealand	6.953	11.9	7.171.705	7.1
United Kingdom	1.246	2.1	1.220.906	1.2
Other	701	1.2	599.569	0.6
	58.390	100.0	100.942.380	100.0
Class of holder				
Male	23.752	40.7	20.515.311	20.3
Female	25.637	43.9	21.258.907	21.1
Joint male and female	2.803	4.8	2.120.033	2.1
Companies	6.198	10.6	57.048.129	56.5
	58,390	100.0	100.942.380	100.0
Size of holding				
1-1.000	44,629	76.4	14.738.034	14.6
1,001-5,000	11,612	19.9	23.602.735	23.4
5,001-10.000	1,164	2.0	7.940.080	7.9
10,001 and over	985	1.7	54.661.531	54.1
	58,390	100.0	100,942,380	100.0

DEBENTURES AND NOTES

	Debentures maturing						Unsecured notes maturing	
	1977		1978		1980		1975	
Interest rate pa	12½%		13%		7%		10%	
Amounts outstanding	$7,775,400		$12,011,600		$5,407,200		$40,000,000	
Number of holders	3,753		3,023		780		6,564	
% of total holding by 20 largest holders	18%		36%		55%		50%	
Number of holders by size of holding—	No	%	No	%	No	%	No	%
$100-$1,000	2,329	62.1	1,533	50.7	386	49.5	3,306	50.4
$1,001-$5,000	1,229	32.7	1,175	38.9	284	36.4	2,591	39.5
$5,001-$10,000	135	3.6	197	6.5	39	5.0	426	6.5
$10,001 and over	60	1.6	118	3.9	71	9.1	241	3.6
	3,753	100.0	3,023	100.0	780	100.0	6,564	100.0

C 3418

SOURCE AND APPLICATION OF FUNDS

Years ended March 31	1975 $000's	1974 $000's
SOURCE OF FUNDS		
During the year the following funds became available:		
Profit after tax *(before extraordinary items)*	36.809	28.816
Depreciation of fixed assets	26.354	24.282
Amount provided for income tax	32.884	28.256
Other non-cash items	(558)	4.884
Total funds derived from operations	95.489	86.238
Minority interests (net)	1.294	2,561
Long-term borrowings	49.364	45.080
Proceeds from sale of assets	6.946	17.535
Share issues	—	1,388
	153.093	152.802
APPLICATION OF FUNDS		
These funds were applied as follows:		
Acquisition of fixed assets	37,663	20,133
Expenditure on joint ventures and partnerships	56.547	54,716
Long-term lending	6,438	4,168
Total outlay on non-current assets	100.648	79,017
Increase in working capital	9,055	50.558
Long-term borrowing repayments	24,934	7,386
Dividends paid	14.090	12,382
Income taxes paid	4,366	3,459
	153,093	152,802

C 3419

MINERALS DIVISION ACTIVITIES

Major activities

Iron ore: Pilbara Iron Ltd (68% CSR) has a 30% interest in the Mt Newman iron ore venture.

Bauxite and alumina: Gove Alumina Ltd (51% CSR) has the right to a 30% share of alumina production at Gove, and the sole right to export bauxite from Gove.

Coal: Buchanan Borehole Collieries Pty Ltd (92.65% CSR) produces soft coking coal for export.

Copper: Mt Gunson Mines Pty Ltd (100% CSR) produces copper concentrates for export.

Tin: Kajuara Mining Corp Pty Ltd (35% CSR) is associated with Indonesian interests in the operation of alluvial tin mines on Bangka Island, Indonesia.

Deputy general manager D D Brown (second from left), with minerals division general management (from left): R N Selman, E F Herbert and N L Carter

Iron ore

Total shipments of iron ore by the Mt Newman venture (in which CSR's subsidiary Pilbara Iron Ltd has a 30% interest) were:

	Thousand dry tonnes Year ended March		
	1974	**1975**	% change
Destination			
Japan	20,643	**21,455**	+ 4
Europe	3,564	**4,653**	+31
Australia	3,230	**4,130**	+28
Other	210	**245**	+17
Total	27,647	**30,483**	+10

Industrial unrest in the earlier part of the year caused serious loss of production, in a series of stoppages.

Demand for iron ore was strong for most of the year, but towards the end there were signs of weakening because of the economic downturn in Europe and Japan.

Price rises from September 1 1974, of US$2.25 a ton (about 24%), were obtained under all our Japanese high-grade ore contracts, with proportionate increases in Japanese low-grade ore contracts. These recognised the extraordinary cost increases and the changes in exchange rates since the contracts were made. Prices under some Japanese contracts were raised by a further 7½% from April 1 1975.

Higher prices were also obtained for contracts with other buyers during the year, and for a substantial proportion of shipments to Europe in 1975.

However, the further rapid rises in costs over the past year have seriously eroded the benefits of these increases in revenue.

Construction to give an annual capacity of about 40 million tonnes is well advanced, and should be completed by mid-1976.

Project capital expenditure during the year totalled $83.6 million, of which Pilbara Iron's share was $25.1 million. The total authorised to date by the joint venturers for construction, exploration, replacements and working capital (including the expansion to 40 million tonnes) is $676 million.

Bauxite and alumina

Shipments by Gove Alumina Ltd for the year were:

	Thousand dry tonnes Year ended March		
	1974	**1975**	% change
Bauxite	1,437	**1,723**	+20
Alumina	162	**245**	+51

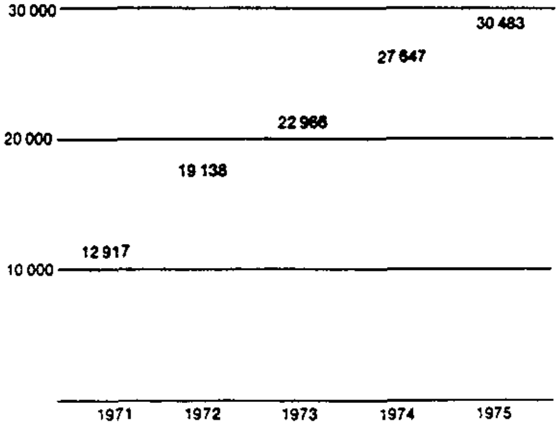
Japanese buyers have agreed to take 6 million additional tonnes of bauxite during the ten years beginning July 1 1974, above the previously contracted total of 32.5 million tonnes.

Despite cutbacks of aluminium output in Japan, total bauxite shipments during the current year are expected to be about the same as last year.

Alumina production, in which Gove Alumina has a 30% share, was 876,400 tonnes, compared with 594,300 tonnes for the previous year. During the last quarter of 1974 the alumina plant operated at slightly more than its design capacity of 1 million tonnes a year, but scheduled downtime for maintenance reduced production for the first quarter of 1975.

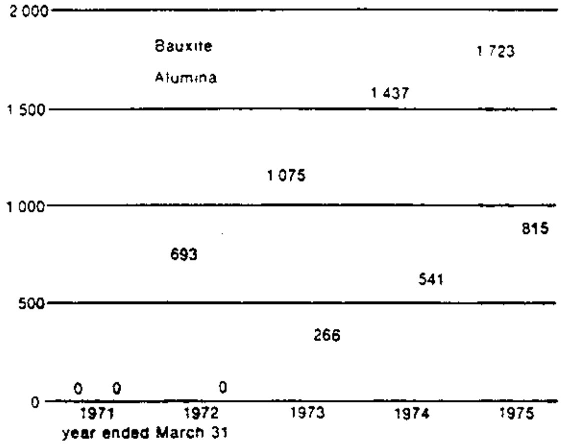
TOTAL MT NEWMAN IRON ORE SHIPMENTS

('000 dry tonnes)



for year ended March 31

TOTAL GOVE SHIPMENTS ('000 tonnes)



Mitsui Alumina of Japan, in which Gove Alumina has a 10% shareholding, has begun to expand its alumina plant, to be finished in 1976. Gove Alumina subscribed approximately $A225,000 in August 1974 and expects to make similar payments in 1975 and 1976.

Gove Alumina's profit was below that of the previous year. As explained in last year's report, the reduction was largely due to special alumina pricing arrangements in the early years of the project.

Coal

In the year ended March 31 1975 Buchanan Borehole Collieries Pty Ltd (92.65% CSR) mined 789,000 tonnes of soft coking coal, 475,000 tonnes more than last year. Expansion to increase production to 1 million tonnes a year is nearly finished. With demand exceeding present capacity, further expansion is being considered.

Copper

The new copper mine and concentrating plant in the Cattle Grid area near Mt Gunson began on schedule in August 1974. After early delays, due to unseasonal rains and plant commissioning, mining and ore treatment operations settled down to the expected rate of 1,500 tonnes of ore a day.

The mine produced 4,000 tonnes of copper in concentrates for export to Japan under contract.

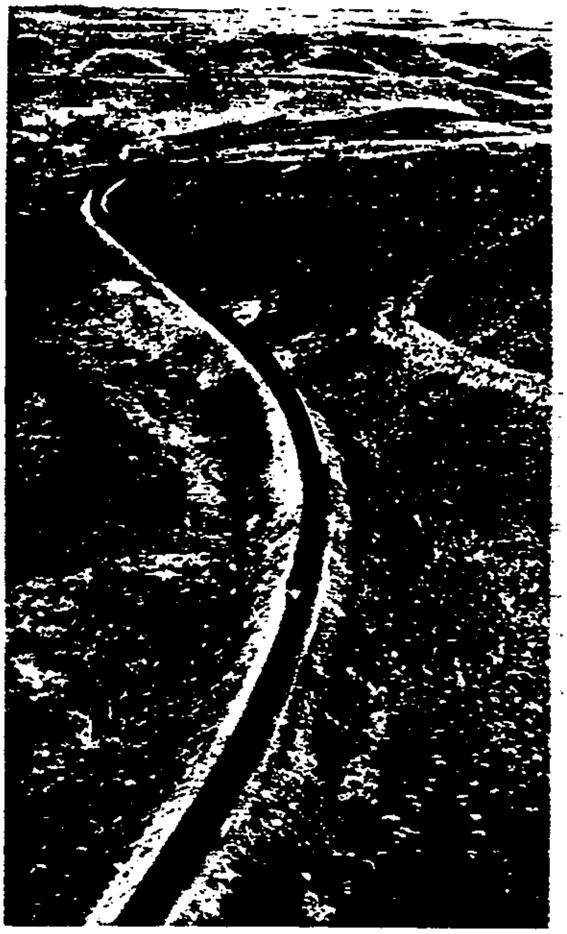
At currently depressed world copper prices, the operation is recovering operating costs but not yet yielding a return on its investment. In the long run the venture is expected to be satisfactory.

Tin

Alluvial tin mines on Bangka Island, in which CSR is associated with Blue Metal Industries, Ready Mixed Concrete and Indonesian interests, operated profitably.

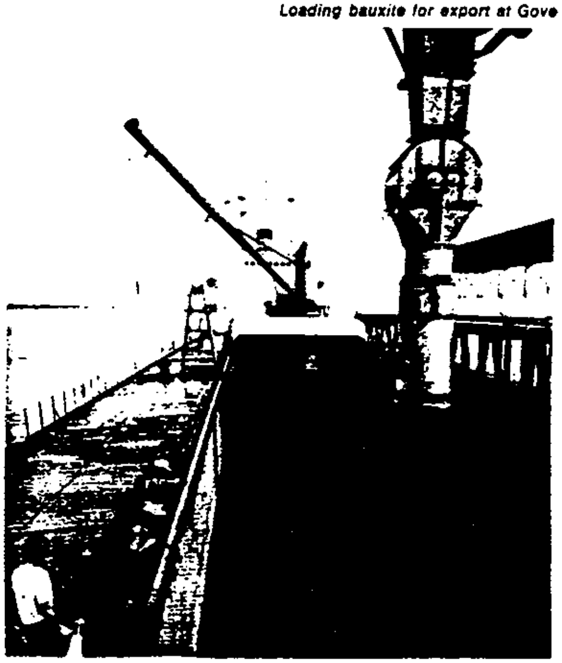
Two dredges to supplement the existing gravel method of mining are being built. Exploration on and off shore continues.

The International Tin Council has recently put restrictions on tin output. The Bangka Island venture can only remain profitable if it gets adequate quotas.



Iron ore train between Newman and Port Hedland, a journey of 430 km

Loading bauxite for export at Gove



CHEMICALS AND CARBON DIOXIDE

Industrial chemicals

CSR Chemicals Ltd (50.3% CSR) experienced strong demand for its products in the first half of the year, but not after September and sales volume for the year was 7.9% down on last year. Because of severe problems in the textile industry, cellulose acetate sales in particular were drastically lower.

During the earlier part of the year we were short of some feedstocks and could not satisfy all orders from Australian customers. These shortages were due to industrial unrest in the oil and shipping industries. Customers turned to imports and ordered heavily. These imports overhung the market in the last part of the year, when demand was slack.

In these circumstances, with surplus capacity for most products available after September, additional attention was directed to exports. Overseas sales were 8.7% higher than in the previous year.

Distillery products

Sales of industrial alcohol in Australia and New Zealand rose in the first half of the year, but in the second half eased notably as user industries were affected by recession.

Exports of unrefined beverage alcohol to Japanese customers declined slightly. In the longer term we expect exports to grow, and our distillery at Sarina, north Queensland, is increasing its production capacity.

Rum sales were affected by another steep rise in excise duty and did not increase on the previous year.

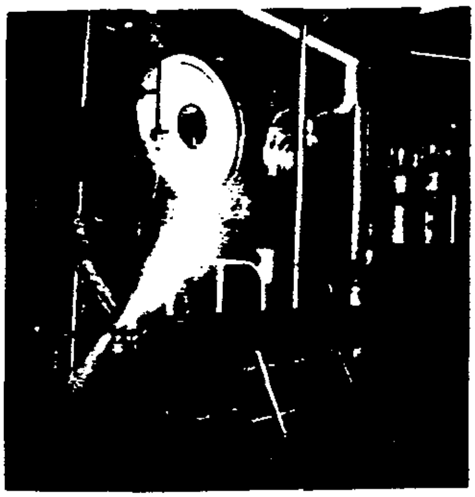
Carbon dioxide and freezing services

Sales of CO_2 by Carba Australia Ltd continued to grow. Development continues of specialised equipment using CO_2 for food freezing and chilling, and several new installations have begun operating. Dry Ice (Queensland) Pty Ltd became part of the Carba group at the beginning of the year.

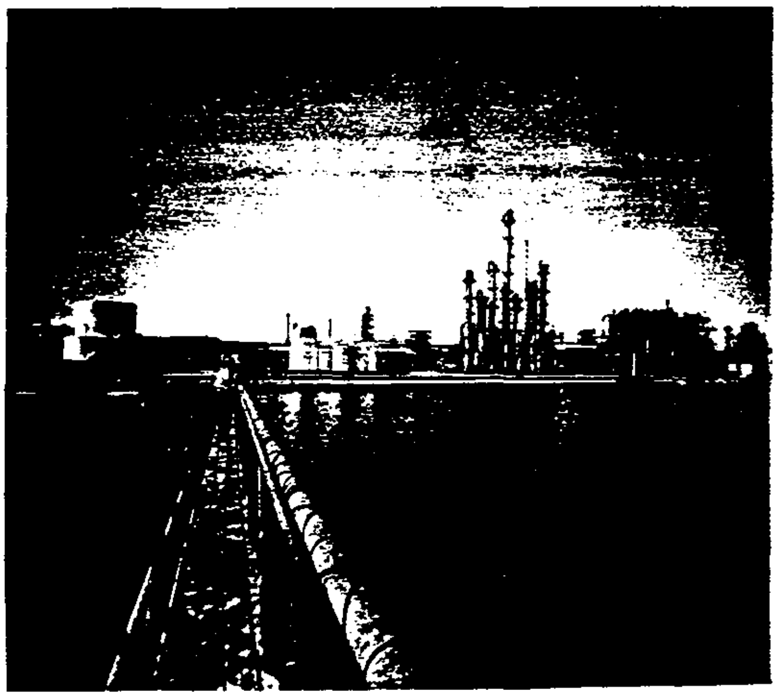
In December, cyclone Tracy caused significant damage to Carba's cold stores in Darwin. Thanks to extraordinary efforts by the staff and employees, Carba kept going throughout the emergency and supplied essential community service, producing ice and maintaining freezing services for food.

Shipping services

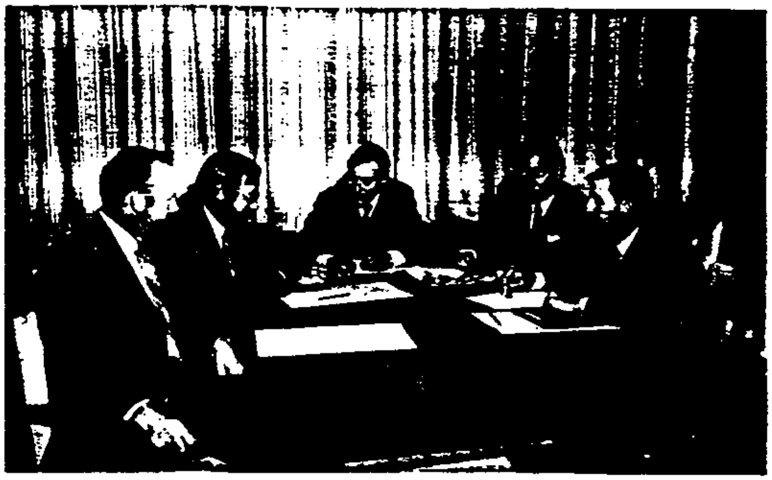
Australian Chemship Line (50% CSR and managed by CSR) operates two chartered chemical tankers. This activity has continued to produce a modest profit, but results this year were affected by industrial stoppages and by mechanical problems with both vessels.



Testing carbon dioxide cylinder at Carba's Abbotsford plant, Melbourne



CSR Chemicals plant at Rhodes, Sydney


Assistant general manager R W Harvey (centre), with finance committee (from left): J G Willis, treasurer; S J Droder, controller; J H Tuckfield, secretary; and P H T Lovell, assistant treasurer

FINANCE

Long-term borrowings

A new debenture trust deed was adopted during the year, and no further debentures will be issued under the 1962 deed.

In September 1974 we made a cash and conversion offer of debentures to the holders of shares, debentures and notes. Terms offered were for three years at 12½% pa, and for four years at 13% pa. The issue, for $10 million with the right to oversubscriptions totalling $5 million, was fully subscribed up to $15 million.

Debentures totalling $7.2 million matured on March 31 1975, and holders were offered conversion to a new issue for 2½ years at 12½% pa, the maturity date being the same as for one of the September 1974 issues mentioned above. A total of $4.8 million was converted.

Our half-yearly report noted the arrangement of a US$40 million Eurocurrency loan facility. This was later increased to US$50 million. The facility extends for seven years with interest rates fixed at three or six-monthly intervals. By the end of the financial year a total of US$20 million had been drawn down. Since then a further US$15 million has been drawn, making total drawings equivalent to about $A26 million.

Another facility for US$13 million, also on a floating-rate basis, was arranged with the Australian Industry Development Corporation (AIDC). There have been no drawings yet.

Accounting standards

C 3423

The only change in accounting standards issued during the year by the accounting bodies to have a significant effect on CSR was in respect of tax effect accounting. In essence, the standard encourages the setting up of two accounts. One, styled 'Future Income Tax Benefits,' represents the income tax effect of trading losses and various charges against profit and loss which are not available as deductions against taxable income of the group until some future date. The other, styled 'Deferred Income Tax Expense,' reflects the income tax effect of transactions which have the opposite effect; that is, where deductions available against taxable income are not charged against current profits.

The initial amounts to establish these two accounts in respect of prior year transactions are obtained by a direct adjustment of unappropriated profits carried forward.

In 1974 CSR adopted tax effect accounting in respect of timing differences which occurred that year, and made a retroactive adjustment in respect of timing differences on consolidation resulting from deductions allowed to the parent over a period of years through Section 77AA and Section 77D declarations made in its favour by certain mining subsidiaries.

For 1975 we fully adopted the new current accounting standard on tax effect accounting, and this is reflected in the accounts for the year including the Statement of Accounting Methods on page 14.

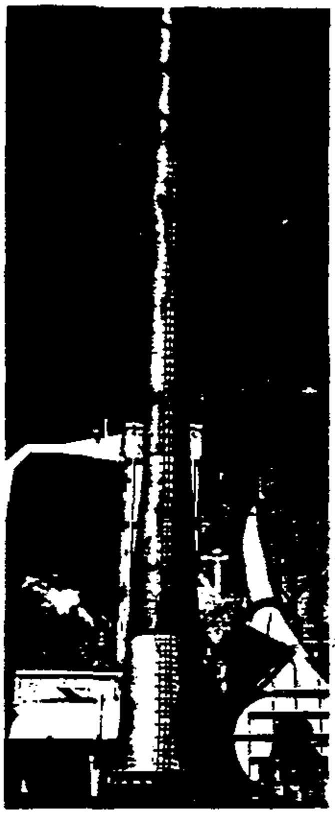
During the year the rate of company tax was reduced from 47½% to 45%, with the reduced rate applying to both 1974 and 1975 profits. In 1975 our income tax expense for the full year was reduced by $1.5 million. As explained in our half-yearly report, the reduction in accumulated provision for current and deferred tax, amounting to some $3.3 million after minority interests, has been included in the year's accounts as an extraordinary item.

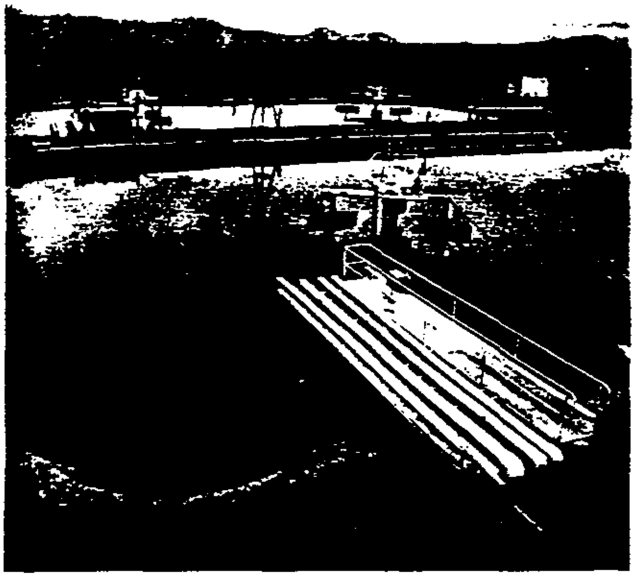
PROTECTION OF THE ENVIRONMENT

For ongoing operations and for all new activities, CSR has adopted environmental protection standards for use in internal planning.

These standards often go beyond what is needed to comply with present legal requirements. They take into account anticipated changes in community values.

Some of our factories were built when the need for proper protection of the environment was not widely acknowledged. Substantial expenditures continue to be incurred in bringing them up to our established standards. Major works completed during the year included an effluent treatment plant at Goondi sugar mill and the installation of equipment at Macknade mill to meet the chimney emission standard. Many smaller jobs were completed in other factories.





Left: *Effluent treatment ponds at Victoria sugar mill near Ingham, north Queensland* Above: *Waste gas incinerator at CSR Chemicals' Mayfield plant, near Newcastle* Right: *CSR branch office, Adelaide* Below left: *School children at Nhulunbuy, the town of 5,000 people built to support the bauxite-alumina project at Gove* Below right: *A drilling rig operating near the Mt Gunson open cut copper mine in central South Australia*

C 3424

THE AUSTRALIAN ESTATES COMPANY LIMITED

History

Australian Estates was incorporated in London in 1894 as The Australian Estates and Mortgage Company Ltd. Its nucleus was the wool selling, stock, agency and pastoral interests operated by The Union Mortgage and Agency Company of Australia Ltd. That company had developed from a stock and station agents' partnership started in Australia some 40 years earlier.

Australian Estates later diversified into other fields, adopting its present name in 1936.

Structure

Australian Estates itself owns substantial assets and is the parent company of 39 subsidiaries (some of which are dormant) and four associated companies in which its shareholding exceeds 20%. The parent and three major subsidiaries were incorporated in the United Kingdom: all others were incorporated in Australia.

All subsidiaries are fully owned, with the exceptions of The Haughton Sugar Company Ltd (65% Australian Estates), E M Denny (Holdings) Ltd (56%), and Calcium Products Pty Ltd (55%).

As at December 31 1973, about 86% of the company's assets were located in Australia.

Operations

Sugar:

Australian Estates owns large sugar mills at Pleystowe, near Mackay, and Kalamia, near Townsville. The Haughton Sugar Company Ltd owns Invicta Mill, near Townsville. Sugarcane is grown on Kalamia estate.

The company supplies about 11% of total Australian raw sugar production. Over recent years about half of Australian Estates' group profit was earned from sugar.

Pastoral:

The company operates 20 grazing properties in the Northern Territory, Queensland and New South Wales. Of total holdings of 4 million hectares, 3% is freehold and the remainder leasehold.

Twelve of the properties run only cattle, and there are eight sheep properties—five in Queensland and three in New South Wales. These include three well-known Merino studs—Terrick in Queensland, and Raby and Oolambeyan in New South Wales; all have achieved notable show successes.

Research has been carried out into crossing traditional Shorthorn cattle stock with Santa Gertrudis and Brahman types for heat and tick resistance, and for high carcase weights.

C 3425

Agency:

Woolbroking, and stock and station agency business is conducted in Victoria, New South Wales and Queensland, through 70 country branches, three city offices, and three wool stores in Melbourne, Portland and Brisbane. Income is earned from commission and handling charges on the sale of wool, livestock, supplies, real estate and insurance.

G H Colman, general manager The Australian Estates Co Ltd

Over the past three years, average annual turnover through woolbroking and agencies was $179 million, and included:

147,000 bales of wool,
3,000,000 sheep, and
608,000 cattle

The company provides a range of livestock services and professional advice on pasture improvement, animal husbandry and related matters.

City buildings:

Australian Estates initiated a 22-storey office block development in William Street, Melbourne, and a 24-storey block in Creek Street, Brisbane. Both are on sites owned by the company. The Melbourne project will be completed about mid-1975, Brisbane 12 months later.

Overseas:

Through E M Denny (Holdings) Ltd, in which it owns 56% of issued ordinary shares, the company produces and markets a wide range of food products, principally based on pig meat. Factories are in Northern Ireland and the Republic of Ireland, and it acts as agents in other countries for the importation of bacon, beef and allied products.

Australian Estates has investments with a book value of about $2.4 million in public companies, and some associated companies. These include a substantial interest in three prime properties in central London through a subsidiary, Estates House Ltd.

Some statistics	Provisional at December 31 1974
Capital	
Issued and fully paid (converted from Sterling)	$5,660,000
Profit after tax (before extraordinary items)	$9,040,000
Livestock numbers at December 31	
—Cattle	217,000
—Sheep	223,700
Investments (at book value)	$2,440,000
Net tangible assets (book value)	$49,000,000

Merino wool on Raby sheep stud, near Warren in western New South Wales

Helicopter used to muster cattle on Millungera station, near Mt Isa in Queensland

Raby Merino sheep stud

Cattle crossing river on Millungera station

OPERATING DIVISIONS

SUGAR

Divisional general management

J G CAMPBELL
G A GEMMELL-SMITH
A M HERTZBERG
J W LAURIE

Groups and associated companies

G H COLMAN
General manager Australian Estates Ltd
R W CORBEN
Chief manager refined products group
G V KELLS
National manager consumer products group
G LORD
Chief manager mills group
W S OLIVER
Chief manager export marketing group
W P RALPH
Managing director New Zealand Sugar Co Limited

Divisional services

J A BARRINGTON
Chief manager marketing administration
A C CLARSON
Chief manager shipping services
A J GANS
Controller
A S HONEY
Chief manager capital works
R J SOMERVILLE
Chief manager commercial services
D S WOODMAN
Chief manager administration and staff

Branch managers

J R BRENNAN
Brisbane
G M R DAY
Adelaide
C R LEITH
Perth
L M SUMMERBELL
Melbourne

London representative

B DOWLING

BUILDING AND CONSTRUCTION MATERIALS

Divisional general management

A J OLIVER
A V SHAW

Groups and associated companies

A L CHAVE
General manager Ready Mixed Concrete Ltd (50% CSR)
D J GOODALL
General manager Bradford Insulation Industries Pty Ltd
C S HOYES
General manager Wunderlich asbestos cement group
R H HUNTER
General manager Rondo Building Services Pty Limited (50% CSR)
A C LOCKE
Group manager Wunderlich Ltd
E C LUDOWICI
General manager Wunderlich aluminium window group
P J MATHLIN
General manager vinyl flooring
J H MATTHEWS
General manager building products group
E V MEAD
Managing director Pyneboard Pty Ltd (50% CSR)
J C MILTON
General manager Hardboards Aust Ltd (50% CSR)
S S PARKER
General manager Australian & Kandos Cement Holdings Ltd (50% CSR)
R J PICKRELL
General manager gypsum products
D W SULLIVAN
Deputy general manager Ready Mixed Concrete Ltd (50% CSR)

Divisional services

D C EBERT
Planning officer
G D GRANT
General commercial manager
D MURDEN
Controller
R J THOMPSON
General marketing manager
P R WHITELEY
Chief engineer

MINERALS

Divisional general management

N L CARTER
R N SELMAN
E F HERBERT *Deputy general manager*

Groups and associated companies

W A BENNETT
General manager Pilbara Iron Ltd
J JOHNSTONE
Managing director Buchanan Borehole Collieries Pty Ltd
G C O'FARRELL
General manager Gove Alumina Ltd
K H STACEY
General manager Mt Gunson Mines Pty Ltd

Divisional services

M W H HOWE Controller
R L MULLER Development manager
J H RATTIGAN Chief geologist
G TANGIE Manager petroleum group
P C THOMAS Manager Pacminex Pty Ltd

CHEMICALS AND CARBON DIOXIDE

J W ARNOLD
General manager Carba group
J E G ESSERY
General manager CSR Chemicals Ltd
P A HANKS
General manager distillery division

CORPORATE FUNCTIONS

PERSONNEL

J F BLAXLAND
Director of staff administration
B L BRENNAN
Chief industrial counsel
I G R BURGESS
Chief manager personnel
P RAPHAEL
Chief staff officer

FINANCE

R W HARVEY
Assistant general manager

J G CAREY
Manager corporate affairs
S J DRODER
Controller
F N LEWIS
Chief legal officer
J F NEWELL
Chief accountant
J H TUCKFIELD
Secretary
J G WILLIS
Treasurer

OTHER

B I ALDRICH
Planning officer
A C BROWNE
Chief publicity officer
C W DAVIS
Chief chemist
A W McAULEY
Head new business division
K L SUTHERLAND
Director of research

C 3427

As at May 1 1975

Deputy general manager M G King (right), with J F Blaxland, director of staff administration (left) and C W Davis, chief chemist

PEOPLE AND ORGANISATION

The chart opposite shows a number of senior officers and their positions, arranged to indicate broadly the organisation of the CSR group.

Because it is an outline only, and the group is diverse and complex, there are many senior officers whose names do not appear. Their omission does not reflect the level of their responsibilities.

The general management of the CSR group is exercised by five men who share many of the duties of the chief executive. Working with the general manager, each deputy general manager contributes to the general management of the whole group and each also takes specific responsibility for part of the group.

As from April 1 1975, the organisation of some activities and general management responsibilities for them have been re-arranged to meet changing needs. The main changes are reported below.

Corporate functions

Effective management of matters which bear directly upon the people employed within the group continues to be seen as a major challenge.

With changing community values and expectations, substantial resources need to be applied to improving working relationships and the way work is organised and done. Occupational health, safety and proper regard to good environmental practice demand continuous attention.

The staff, industrial, employee relations, training and associated functions have therefore been strengthened. Together with the principal technical functions, they now represent the major specific responsibility of deputy general manager, Mr M G King.

Operating divisions C 3428

Continuing the established direction of organising CSR on the basis of major product groups, two new divisions have been set up.

A building and construction materials division brings together all activities and investments of the CSR group in building materials, cement, concrete and quarrying. Division general management reports to deputy general manager, Mr B N Kelman.

All present operations, development projects, investments and exploration in minerals and petroleum have been grouped in a minerals division. Division general management reports to deputy general manager, Dr D D Brown.

The scope of the sugar division, which was formed in April 1974, includes all of the group's rural and related activities. The integration of Australian Estates within the division is now proceeding. Division general management reports to deputy general manager, Mr A J Campbell.

Each of the three major divisions is being equipped with its own functional services and with resources to plan and to seek growth in its established product area.

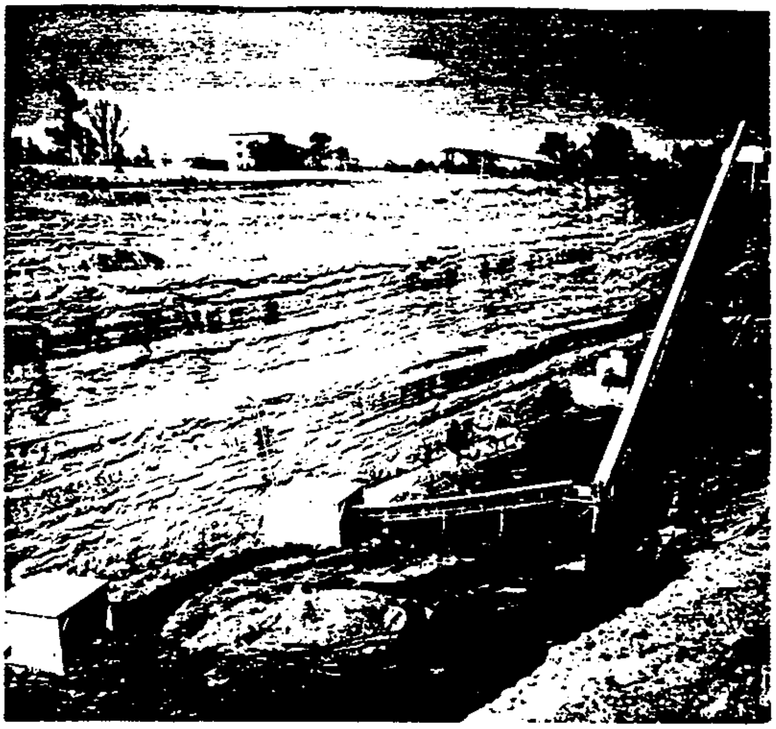
Mr King has general management responsibility for the distillery and Carba groups and for CSR Chemicals. The new business division reports to Mr Kelman.

SAFETY

The provision of safe working conditions and proper training to avoid workplace accidents is a prime responsibility of management at all levels.

CSR's safety record compares well with results achieved by other companies in Australia and overseas. However, safety performance in the past year was not as good as in the previous year. Other companies have reported the same trend. New initiatives are being taken to regain CSR's previous record of progressive improvement.

Many establishments in the group nevertheless reported excellent safety performance, with 29 out of 94 working the full year without a serious injury. CSR Chemicals' Rhodes factory became the third in the CSR group to achieve two million consecutive manhours without lost-time injury. There are only 17 such 'double safety millionaires' in Australia.



Lemington underground colliery, near Singleton in New South Wales, operated by Buchanan Borehole Collieries which is currently increasing its production capacity

LOOKING TO THE FUTURE

Sustained and profitable growth of the company in resource-based industries is a key objective of CSR's forward planning.

To this end, each operating division seeks to enlarge its activities in its broad product area. Substantial effort is applied to developing new products and new markets, and to improving existing products and processes.

Part of the work of the central research laboratories is in support of division growth strategies. However, emphasis in corporate research is directed towards the development of knowledge and understanding that will assist decision-making about entry to business fields not presently engaged in by the divisions.

Similarly, the new business division assists divisions but is primarily concerned with opportunities for growth in new fields.

Some current activities C 3429

Acquisition of Australian Estates provides the sugar division with new opportunities for growth in rural industries. Planning of ways to develop these is in hand.

The sugar division is developing the macadamia orchard project. Increasing quantities of nuts are available for test marketing.

Mills and refineries are adopting improved production processes based on their technical research and development work. One such is an ion exchange process for decolourising sugar in refineries. This method has advantages over the traditional use of char.

The building and construction materials division, in its research laboratories, is examining possible new products and improvements to existing ones. Investigation continues of alternative raw materials for insulation, including glass fibre products of the Bradford group.

The minerals division carries on an active exploration programme and evaluates prospects either initiated by the division or brought to it by holders of mining tenements.

We are doing further work on the feasibility of developing the Muchea bauxite deposits in Western Australia. An alumina plant with an initial capacity of 800,000 tonnes a year is being studied and an Iranian organisation is considering construction of a related aluminium smelter in Iran.

Ways of extending our interests in energy resources are being examined.

A W McAuley, head of new business division

Pleystowe raw sugar mill on the Pioneer River near Mackay, Queensland. The mill is operated